

DAILY REPORT

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Vol I. No 095

16 May 1986

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PRC SPOKESMAN ON WU XUEQIAN'S EAST EUROPE VISIT

OW141414 Beijing XINHUA Domestic Service in Chinese 1307 GMT 14 May 86

[Text] Beijing, 14 May (XINHUA) -- A Chinese delegation with He Kang, minister of agriculture, animal husbandry, and fishery, as leader, and Qi Huaiyuan, vice minister of foreign affairs, as deputy leader will attend a UN General Assembly special meeting is scheduled to take place in New York 27-31 May. This was announced by a spokesman of the Ministry of Foreign Affairs at a news briefing this afternoon. According to the spokesman, the meeting, the first special UN meeting to discuss Africa's economic problems, is being held in accordance with a resolution adopted by the 40th UN General Assembly. He added that the meeting will make an overall examination of the problems confronting Africa in its economic recovery and intermediate and long-term development.

Answering a reporter's question on whether or not Foreign Affairs Minister Wu Xueqian's East European tour indicates the thawing of Sino-Soviet relations, the spokesman said that Foreign Minister Wu Xueqian was invited to visit the Democratic Republic of Germany and Hungary, and the trip is to further promote the friendly ties between China and these two countries and to promote friendship between their people.

PRC, USSR, OTHER EXPERTS DISCUSS NUCLEAR SAFETY

OW151603 Beijing XINHUA in English 1552 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Chinese and foreign experts attending an international meeting called today for further strengthening of nuclear instrumentation standardization to ensure nuclear safety. The appeal was made at the current Beijing meeting of the Technology Committee 45 of the International Electrotechnical Commission (IEC/TC 45) which opened here today. Nearly 100 delegates from all over the world, including six from the Soviet Union, will discuss and adopt in 19 working groups more than 50 draft standards concerning nuclear instrumentation, reactor instrumentation and radiation protection instrumentation. All the draft standards to be discussed are closely linked with the designing and building of nuclear power plants and will help promote safety in nuclear power plant operation.

The meeting will also discuss issues concerning radiation protection by nuclear power stations and dose monitoring. The discussion and adoption of draft standards on radiation protection instrumentation will help reduce environmental pollution, safeguarding health of workers as well as safety of nuclear power plants. A non-governmental international standardization organization, the International Electrotechnical Commission was founded in 1906, the earliest of its kind. The commission now boasts of 203 technology committees and subcommittees with more than 600 working groups and has issued 98 standards on nuclear instrumentation.

China joined the IEC in 1957.

Delegates attending the nine-day meeting are from the United States, France, Federal Germany, United Kingdom, Italy, Sweden, Switzerland, the Soviet Union and Japan. Fifty-three Chinese experts are also attending the meeting.

U.S. SAYS SOVIET ARMS PROPOSAL NOT NEW

OW151910 Beijing XINHUA in English 1903 GMT 15 May 86

[Text] Washington, May 15 (XINHUA) -- The United States today termed the latest Soviet arms control initiative as containing "no new, startling approaches" but a restatement of its past proposals. The Soviet Union this morning tabled a draft treaty on limiting medium-range nuclear weapons at a special session of the arms control talks in Geneva. Details, however, were not yet disclosed. White House spokesman Larry Speakes said, "Our initial scan and advice from our delegation indicate there are not any new and startling approaches in the Soviet proposal." "It appears at first glance to be a more formal modification of previous Soviet statements, but we will certainly analyze the proposal to see whether this constitutes constructive movement toward seeking common ground," Speakes said. He added, "We hope this would indicate that the Soviets are becoming serious about the arms control talks."

The issue of reducing medium-range nuclear missiles is one of the three areas at the Geneva arms reduction and space weapons talks between the United States and the Soviet Union, which entered the fifth round last week. The Soviet Union in the past called for a sharp reduction of U.S. and Soviet medium-range missiles in Europe without touching its mobile SS-20 missiles deployed in Asia. The United States, however, demanded global limits that would prevent the Soviet Union from shifting to Asia those SS-20s now targeted at Europe. Washington also rejected Soviet demands to cut British and French nuclear forces.

IAEA WELCOMES GORBACHEV NUCLEAR COOPERATION CALL

OW151437 Beijing XINHUA in English 1431 GMT 15 May 86

[Text] Vienna, May 15 (XINHUA) -- The International Atomic Energy Agency (IAEA) welcomes Soviet leader Mikhail Gorbachev's proposal for closer cooperation among all nations in exchanging information on nuclear power, an agency spokesman said today. Gorbachev, in a televised speech last night, suggested the creation of "a system of prompt warning and supply of information in the event of accidents and faults at nuclear power stations." In his first public assessment of the Chernobyl accident, Gorbachev also called for an international conference in Vienna under the auspices of the IAEA to discuss safe development of nuclear power. The Soviets are providing radiation data daily to the IAEA under an agreement worked out during a visit to Moscow by Director-General Hans Blix of the 112-nation IAEA, a U.N. agency set up to promote the peaceful use of atomic energy. The agency spokesman said that a direct reaction to Gorbachev's initiative will be made after a board meeting next week.

In another development, Federal German Foreign Minister Hans-Dietrich Genscher has hailed Gorbachev's call for an international conference on nuclear power issues as "fundamentally positive." Genscher said in a radio speech today that the Soviet Union should be taken at its word and a conference on nuclear safety topics be set up as quickly as possible. He stressed that cooperation should extend to all areas of nuclear safety, including the offer of aid after accidents. Genscher's call echoed a proposal made by Chancellor Helmut Kohl last week for an international conference to stipulate unified safety standards for nuclear plants and procedures for exchanging information.

PRC REPRESENTATIVE SPEAKS TO UNESCO SESSION

OW140550 Beijing XINHUA in English 0539 GMT 14 May 86

[Text] Paris, May 13 (XINHA) -- International multilateral cooperation is indispensable for the maintenance of peace and the promotion of development, China's Permanent Representative to UNESCO, Lai Hanxuan, said today at the body's 124th session. Lai told the session of the United Nations Educational, Scientific and Cultural Organization (UNESCO) that China has always believed that it is in the interest of all countries to develop multilateral cooperation based on equality, dialogue and mutual understanding.

No international organization is perfect, Lai said, adding that UNESCO is undergoing internal reform not only because external pressures have forced it to do so, but because reform is necessary in order to revitalize and make relevant UNESCO's work. The Chinese representative said he regretted Britain's and Singapore's withdrawal from UNESCO, which worsened the difficult situation created by the resignation of the United States. But Lai said he believed the future of UNESCO is promising.

The 124th session opened May 7 at UNESCO's headquarters in Paris and is due to end May 23. The main topic is the difficulty caused by the withdrawal of Britain and Singapore, particularly the readjustment of the 1986-87 budget and further reduction of UNESCO's staff.

CAAC ANNOUNCES PLANS TO BUY 10 JUMBO JETS

OW141419 Beijing XINHUA in English 1401 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- The Civil Aviation Administration of China (CAAC), China's national flag carrier, has ordered 10 jumbo jets -- four Boeing 747s, four Boeing 767s and two airbus A310s -- this year, it was announced here today. A CAAC official said, "This is part of the program to update and expand the fleet during the Seventh Five-Year Plan period (1986-1990)." He said the airline would continue to buy more jetliners and advanced navigation facilities to meet the growing needs of the domestic and international air services.

In March, CAAC concluded a contract worth 750 million U.S. dollars with the Boeing company of the United States. It signed a 100-million U.S. dollar contract with Airbus Industries last week. According to CAAC, eight Boeing aircraft are scheduled to be delivered from February 1987 to March 1990. They will go into service on international air routes from China to the United States, Singapore, European countries and some domestic cities as well. Two airbus A310s will be delivered in the third quarter of 1987, and will serve on international air routes from Shanghai to far-eastern regions, European countries and large cities in China. In addition to the big jetliners, CAAC has also imported 18 British-made airplanes -- 10 BAE-146s and eight short 360s to serve China's coastal open cities. It was learned that negotiations for aircraft deals are still under way between CAAC and manufacturers in Britain, Canada, France, the Netherlands and other countries.

CUI YUELI ON 'HEALTH FOR ALL' STRATEGY

OW072107 Beijing XINHUA in English 1550 GMT 7 May 86

[Text] Geneva, May 7 (XINHUA) -- Chinese Health Minister Cui Yueli today told the 39th World Health Assembly that the Chinese Government has reinforced measures to speed up attaining "health for all by the year 2000" in China.

Cui indicated that the "health for all" strategy, formulated by the World Health Organization (WHO), is a brilliant one and its implementation will be fruitful. "China is the world's most populous developing country, and its road to this strategic goal is an arduous one. However, we have carried out effective work toward this end and are continuing to do so," the health minister said.

Cui said from 1949 to 1985, the incidence of acute infectious diseases dropped from 20,000 to 800 per 100,000 people, a 96 percent decrease. Incidence and morbidity for other infectious or endemic diseases also have been reduced sharply to one-tenth or less of the levels prevailing in the early 1950s. The five major hygiene areas -- environmental, radiation, school, labor and food -- are now controlled by legislation, he added. "As a consequence of better disease control and hygiene conditions, people's health has improved," Cui told the assembly. He cited statistics showing the overall mortality rate has diminished from 25 per 1,000 in the 1950s to 6.7 per 1,000, and the infant mortality rate has gone from 200 per 1,000 to 34.7 per 1,000. Life expectancy has risen from 35 to 67.9 years. Cui attributed these achievements to the conscientious implementation of the "prevention first" policy, combining health work with mass movement, formulation of feasible plans and concrete measures for disease prevention and health care development, and heeding the development of manpower resources.

The Chinese minister detailed the following six measures that China will adopt to assure health prevention patterns continue in the future:

- To complete and improve the nationwide urban and rural health network, reinforce dual county and village health care institutions, ensure sound management of funds, manpower and organization at the grassroot level.

- To undertake the general immunization program in two stages, i.e. by 1988, the immunization coverage rate is to reach 85 percent throughout each province, and the same percentage by 1990 at the county level. In this way, measles, poliomyelitis, diphtheria, pertussis and tetanus can be basically eradicated, while other diseases such as rabies, brucellosis, filariasis, malaria, endemic goiter and leprosy can be brought under control or wiped out.

- To encourage health sectors to collaborate with agricultural and water conservancy departments to supply 80 percent of China's 800 million peasants with safe drinking water by 1990.

- To strengthen health legislation and enforcement, implement supervision and management of environmental sanitation, occupational health, food hygiene, radiation protection and sanitation of public places. The country will enforce stricter regulations to license pharmaceutical production, to ban all false and inferior quality drugs and to strengthen drug administration.

- To pay close attention to the 100 medical research projects on malignant tumors, viral hepatitis, epidemic hemorrhagic fever, cardio-cerebral-pulmonary-vascular disease, occupational diseases and birth control techniques, as well as research on new drugs. This will bring into full play the role of traditional medicine and pharmacology, as well as their integration with Western medicine.

- To strengthen health education programs through intensive health campaigns centered on pest elimination and disease control, sanitation, afforestation, and environment beautification.

IISS REVIEWS EAST-WEST RELATIONS PROSPECTS

OW140052 Beijing in English 0032 GMT 14 May 86

[Text] London, May 14 (XINHUA) -- "Essentially the choice of East-West relations over the next two or three years would seem to lie between states of medium and high tension," -- this is one of the major conclusions drawn by the world-famous International Institute for Strategic Studies (IISS) in its latest review of the East-West relations. In its annual report "Strategic Survey 1985-1986" published here today, the London-based IISS says that "above all, 1985 was a year of expectations, many of them unfortunately still unrealized."

IISS Director Robert O'Neil told a London press conference on Monday that the accession of Mikhail Gorbachev to the Soviet leadership had brought "greater promise both internally and internationally. Yet the record of his first year shows that he is essentially a moderniser, not a reformer." He called attention to what the "strategic survey" says about the new Soviet leader: He "sees little wrong with the basic aims of his predecessors, but he believes strongly that they were clumsy, unimaginative and ineffective in the way they pursued their goals." "If the expectation of a positive change in Soviet attitudes under Gorbachev has been dimmed by the experience of the past year," says the survey, however, "the realisation should have dawned on the West that it now has to face a far more sophisticated and effective opponent that it has been for many years."

"The USSR's return to the arms-control negotiations in Geneva and the agreement by the leaders of the two superpowers to meet had fuelled expectations that a real improvement in East-West relations was imminent." Yet, as O'Neil noted, "though the summit meeting did not go badly, the glow faded quickly, the atmosphere has soured, and U.S.-Soviet controversy was high during the year."

Despite the summit meeting, there was no lack of confrontation between the U.S. and the U.S.S.R. in 1985 and early 1986, and "much of it centered around regional conflicts and which side was to blame for the various apparent impasses in Central America, Southern Africa, Ethiopia, the Middle East, Afghanistan and South-East Asia," says the strategic survey.

Commenting on the "grand design" of both Gorbachev and U.S. President Ronald Reagan on eliminating nuclear weapons, the IISS says, "To the extent that both leaders know that this goal is unrealizable, they merit the criticism of informed observers for peddling humbug to a gullible and hopeful public." And the basic incompatibility of the two proposed routes for achieving the goal -- banning nuclear weapons or deploying completely effective strategic defences - "puts an end to any thought of rapid progress in this direction." Although many of the more optimistic expectations of 1985 have not been realized, the very fact, the IISS stresses, that "the two superpowers were once again engaged in serious negotiations showed that they both realized that there is no other way to manage East-West relations."

Another interesting conclusion the IISS reached on East-West relations is that "the balance between the two blocks has inclined in the latter's (West's) favour by what the U.S.S.R. calls 'objective reality'. The Soviet Union has found no new way to translate its military might into political gains" while the West has managed, in the IISS's view, to benefit from some radical changes, like those in Haiti and the Philippines.

FURTHER REPORTAGE ON YAO YILIN'S VISIT TO U.S.

Meets Reagan in Washington

OW160042 Beijing XINHUA in English 0025 GMT 16 May 86

[Text] Washington, May 15 (XINHUA) -- Expressing warm welcome to the visiting Chinese Vice Premier Yao Yilin, U.S. President Ronald Reagan told the Chinese guest that his visit is the continuation of a series of high-level mutual visits between the United States and China and is a symbol of the strength of the relations between them. Reagan met with Yao at the White House at 11 a.m. (local time) this morning. Yao arrived in Washington Wednesday to begin his 10-day official visit in the U.S. at the invitation of U.S. Vice President George Bush. It was learned that during the half hour conversation, both the host and the guest expressed the willingness and intention to further deepen mutual understanding to promote the stable and lasting development of the relations between the two countries.

President Reagan briefed Vice Premier Yao on his recent meeting with the foreign ministers of the ASEAN countries at Bali, Indonesia, and the Tokyo economic summit.

Yao acquainted the U.S. President with the economic situation in China and its Seventh Five-Year Plan and its position on the question of Taiwan.

Among those present at the meeting from the U.S. side were: Vice President George Bush, Secretary of State George Shultz, Secretary of Commerce Malcolm Baldrige, White House Chief of Staff Donald Regan, Assistant Secretary of State Gaston Sigur, Ambassador to China Winston Lord.

Among those present from the Chinese side were Ambassador to the U.S. Han Xu and chief of the department of Americas and Oceania of the Foreign Ministry Zhang Wenpu.

Later, Yao called on Shultz at the State Department. It was learned that they exchanged views and explained their positions on a series of international problems, including a number of regional issues. Shultz gave a luncheon in honor of Yao and his party at which U.S. Secretary of Commerce Baldrige and Secretary of Labor William E. Brock III were also present.

Hosts Official Dinner

OW160712 Beijing XINHUA in English 0641 GMT 16 May 86

[Text] Washington, May 15, (XINHUA) -- Vice Premier of the Chinese State Council, Yao Yilin, who is on an official visit here, held a dinner tonight in the Chinese Embassy in honor of U.S. Secretary of Commerce Malcolm Baldrige. Chinese and U.S. Government officials present at the dinner expressed good wishes over frequent toasts for the further development of economic relations.

Attending the dinner were high ranking officials from the U.S. departments of state and commerce. Chinese Ambassador Han Xu and Vice Minister of the Chinese State Planning Commission Gan Ziyu were also present. Earlier today Yao met U.S. congressional committee leaders. They discussed economic and trade relations and issues of mutual concern.

Co-chairs Trade Meeting

OW160220 Beijing XINHUA in English 0159 GMT 16 May 86

[Text] Washington, May 15 (XINHUA) -- The fourth meeting of the Sino-U.S. Joint Commission on Commerce and Trade opened here this morning with both sides expressing satisfaction over the steady development in their trade and economic cooperation. Chinese Vice-Premier Yao Yilin, who is now on an official visit here, and Malcolm Baldrige, U.S. secretary of commerce, co-chaired the opening session. In their opening speeches, the two chairmen, while reviewing progress in bilateral trade and economic and technological cooperation in the past year, examined the obstacles that should be removed, and discussed the prospects for further development of trade and cooperation in the coming year.

In his speech, Baldrige said that in the past year the United States and China witnessed a remarkable expansion of their bilateral economic ties. Trade and investment reached record levels. Many American and Chinese firms signed long-term agreements. However, he continued, in the United States, the free trade policy was fiercely challenged by protectionist sentiments in some segments of the private sector and in the Congress. In China, the economic reform program was tested by excessive demand for domestic capital and by a foreign trade deficit. Despite these challenges, the economies of the two countries remain on course, he added. In the year ahead, Baldrige said, "most importantly, we must oppose protectionism." He hoped that the two countries will try to work out a comprehensive and predictable legal framework for their bilateral commercial activities, and ensure that their bilateral economic agreements are carried out effectively.

Yao Yilin noted in his speech that the two-way Sino-U.S. trade volume totalled 7.3 billion U.S. dollars in 1985, an increase of 20 percent over 1984. With the blessing [as received] of the agreement on Sino-U.S. industrial and technological cooperation, the four "work programs" signed by the two governments have been implemented successfully. By the end of 1985, direct American investment in China as shown in contracts reached 2.1 billion dollars and there are now more than 130 Sino-U.S. joint ventures in China. The Chinese vice premier expressed appreciation of the positive actions taken by the United States to improve its economic relations and trade with China, including the decision to simplify the procedure for approving transfer of technology to China, a lift of the embargo on assistance to China in the U.S. foreign aid act, and President Reagan's veto of the protectionist bill limiting imports of textiles.

Yao Yilin said that during the Seventh Five-Year Plan period (1986-1990), China will further develop its foreign, economic, trade and technical exchanges and will appropriately use more foreign funds in different forms. Referring to China's economic restructuring, Yao said, "China is undergoing great changes." He promised that China will steadily increase its economic ties and cooperation with other countries. After the opening session, the commission will hold group discussions on bilateral trade, investment, technology transfer, and industrial and technological cooperation.

ZHANG AIPING MEETS HAIG DELEGATION 15 May

OW151424 Beijing XINHUA in English 1416 GMT 15 May 86

[Excerpt] Beijing, May 15 (XINHUA) -- Zhang Aiping, state councillor and minister of national defence, met a delegation from the United Technologies Corporation (UTC), led by former U.S. Secretary of State Alexander Haig, and UTC Chairman Harry J. Gray, here this afternoon.

GORBACHEV CALLS FOR COOPERATION ON NUCLEAR POWER

OW141958 Beijing XINHUA in English 1923 GMT 14 May 86

[Text] Moscow, May 14 (XINHUA) -- Soviet leader Mikhail Gorbachev today said the Chernobyl nuclear accident has left nine people dead and 299 hospitalized, while calling for an international conference to discuss safe development of nuclear power. In his TV address tonight, Gorbachev revealed that a sudden burst of power during maintenance work on the fourth reactor caused the Chernobyl accident on April 26.

Gorbachev suggested the creation of an international regime of safe development of nuclear power on the basis of close cooperation of all nations dealing with nuclear power engineering, according to the official Soviet news agency TASS. "A system of prompt warning and supply of information in the event of accidents and faults at nuclear power stations ... should be established in the framework of the regime," the Soviet leader said. Gorbachev said, "Likewise it is necessary to adjust an international mechanism, both on a bilateral and new multilateral basis, for the speediest rendering of mutual assistance when dangerous situations emerge." "For the discussion of the entire range of matters it would be justifiable to convene a highly authoritative specialized international conference in Vienna under the auspices of the International Atomic Energy Agency," he said.

While saying it was too early to pass judgment on the causes of the Chernobyl disaster, Gorbachev added that the apparent cause was an unexpected power surge during a scheduled shutdown of the reactor before a hydrogen explosion.

GORBACHEV SAYS USSR TO EXTEND NUCLEAR TEST BAN

OW141857 Beijing XINHUA in English 1844 GMT 14 May 86

["Gorbachev Announces New Moratorium on Nuclear Testing" -- XINHUA headline]

[Text] Moscow, May 14 (XINHUA) -- Soviet leader Mikhail Gorbachev announced today he is extending a unilateral moratorium on nuclear testing until August 6 and renewed a call to U.S. President Reagan to meet him in a European city or Hiroshima to discuss a permanent test ban. He said in a nationally televised address, "The accident at Chernobyl showed again what an abyss will open if nuclear war befalls mankind," assessing the Chernobyl nuclear power plant disaster which occurred on April 26. "In conditions when the attention to nuclear matters increased, the Soviet Government ... has decided to extend its unilateral moratorium on nuclear tests till August 6 of this year," Gorbachev said.

The announcement appeared to be a major Soviet diplomatic move since April 11 when Moscow announced it had ended its eight-month-old self-imposed ban on nuclear testing following one of Washington's detonations. The Soviet moratorium began on August 6, 1985, the day when the United States dropped its first atomic bomb on the Japanese city of Hiroshima 40 years ago. The moratorium, originally due to expire at the end of last year, was extended until March 31. Gorbachev then offered not to conduct any tests if the United States followed suit. Despite the scraping of the ban, Gorbachev said on May 2 that his country was "in no hurry to resume" nuclear tests and still wants an accord with the United States to end atomic explosions. The Soviet leader has repeatedly called upon President Reagan to hold a special summit in a European capital to discuss ways to ban nuclear testing.

GORBACHEV AGREES TO MEET WITH REAGAN AGAIN

OW160016 Beijing XINHUA in English 0051 GMT 16 May 86

[Text] Moscow, May 15 (XINHUA) -- Soviet leader Mikhail Gorbachev today agreed in principle to hold another meeting with U.S. President Ronald Reagan, stressing that the meeting should "bring a tangible practical result if only in one or two matters agitating the whole world." Gorbachev said that the meeting should also bring "an appropriate political atmosphere" in the international situation. He made the remarks during a meeting with American industrialist Armand Hammer and Doctor Robert Gale, a bone marrow specialist, the official news agency TASS reported. Hammer arrived here earlier this week with relief supplies for the victims of the April 26 Chernobyl nuclear accident, while Gale has been treating people injured by the accident. Gorbachev said his meeting with Reagan would be held neither on an American script nor a Soviet one. "A common platform with the orientation at a concrete result must be sought," he said. The Soviet leader said Soviet-U.S. relations have worsened as a result of the anti-Soviet campaign launched by Washington following the accident in Chernobyl. Gorbachev and Reagan agreed at last November's Geneva summit to meet again in Washington this year. After the U.S. air raid against Libya last month, Gorbachev said he would reconsider the meeting if the United States continued its military actions against Libya. In a nationally televised speech last night, Gorbachev proposed a special summit with Reagan in an European capital to discuss a permanent nuclear test ban. Reagan has rejected the proposal.

JAPAN REACTS 'COOLY' TO U.S.-USSR HIROSHIMA TALKS

OW151632 Beijing XINHUA in English 1523 GMT 15 May 86

[Excerpt] Tokyo, May 15 (XINHUA) -- Japan has reacted coolly to a Soviet proposal to hold summit talks with the United States in Hiroshima on a nuclear test ban, the KYODO NEWS SERVICE said Thursday. Japanese Prime Minister Yasuhiro Nakasone told reporters that it is more important for the two superpowers to negotiate for "a 50 percent reduction (intercontinental ballistic missiles), inspections for the nuclear testing ban and a concrete efficient way of achieving a nuclear arms ban." "It is necessary first to proceed with the Geneva arms control negotiations," the prime minister added.

Soviet Leader Mikhail Gorbachev Wednesday urged U.S. President Ronald Reagan to meet him "without delay" in Hiroshima or any European capital to discuss a nuclear test ban. "I confirm my proposal to President Reagan to meet without delay in the capital of any European state that will be prepared to accept us or, say, in Hiroshima, and to agree on a ban on nuclear testing," Gorbachev said in a televised address.

The Japanese Government, so far, has made no official comment on the Soviet proposal. Foreign Minister Shintaro Abe, who has been low-key on the issue, told a Diet foreign committee meeting Thursday that he does not believe President Reagan will simply accept Gorbachev's proposal. Meanwhile, Hiroshima and Nagasaki, the two Japanese cities that suffered nuclear attacks at the end of World War II, announced that they welcome Gorbachev's proposal.

NI ZHIFU-LED DELEGATION ATTENDS BANQUET IN DPRK

OW142322 Beijing XINHUA Domestic Service in Chinese 1350 GMT 13 May 86

[By reporter Gao Yaorong]

[Text] Pyongyang, 13 May (XINHUA) -- Zong Kewen, Chinese ambassador to Korea, gave a banquet at the Chinese Embassy tonight for the Chinese trade union delegation's visit to Korea and thanked the Korean comrades for the warm hospitality they had offered to the Chinese delegation.

Ni Zhifu, member of the Political Bureau of the CPC Central Committee, president of the All-China Federation of Trade Unions, and head of the Chinese trade union delegation; and Kim Pong-chu, chairman of the General Federation of Trade Unions of Korea Central Committee, both spoke at the banquet. Ni Zhifu said: Through its visit, the Chinese trade union delegation has further understood the tremendous achievements scored by the Korean working class and people in building socialism. These achievements are a mighty inspiration to the Chinese workers and people as well as a positive contribution to safeguarding peace in Asia and in the world.

Kim Pong-chu said: The Chinese trade union delegation's visit to Korea is a tremendous success. In a comradely atmosphere, They expressed their determination to fight shoulder to shoulder from now on. This visit has contributed a great deal to strengthening the relations of friendship and cooperation between the working classes and the trade union organizations of the two countries. He said that he would make strenuous efforts to further develop these relations of friendship.

Attending the banquet were So Yun-sok, member of the Workers Party of Korea [WPRK] Central Committee's Political Bureau and responsible secretary of the Pyongyang Municipal Party Committee; Hyon Chun-kuk; director of the WPRK International Department, and others.

After its arrival in Korea on 9 May, the Chinese trade union delegation was received by President Kim Il-song. The delegation visited some factories and construction sites in Pyongyang and Hamhung. The delegation also placed a wreath on Premier Zhou's bronze statue at the Hungnam Chemical Fertilizer Plant in Hamhung. The delegation is scheduled to leave Korea for home tomorrow.

GU MU MEETS JAPANESE GROUP ON COOPERATION

OW151154 Beijing XINHUA in English 1127 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- State Councillor Gu Mu met a group of Japanese investigators [as received], led by Kazuhiko Honjo here today. The group is here to cooperate with China in drafting a plan for comprehensive development of Hainan Island. Hainan Island has many natural advantages, Gu said. China hopes that the island will develop its economy, culture and education at a faster pace.

Besides financial and material support, the central government will also give the island more decision-making power and help it strengthen its contacts with other parts of the country. Foreigners are also welcome to invest there, he added.

DENG SIGNS ORDER HONORING SOLDIERS ON SRV BORDER

OW151515 Beijing XINHUA in English 1500 GMT 15 May 86

["Central Military Commission Honors Battle Heroes" -- XINHUA headline]

[Text] Beijing, May 15 (XINHUA) -- Two army units and five individual soldiers were commended in a latest order of the Central Military Commission for their heroism in defensive battles in the Laoshan area on the Sino-Vietnamese border in Yunnan Province. In his capacity of chairman of the commission, Deng Xiaoping signed the order yesterday honoring them for defeating Vietnamese troops' assaults and harassment attacks to defend the safety of the people and their property in this border area. The commission designated the two units as "heroic companies" and the five soldiers, including one who died in battle, "heroes." The commission called upon all commanders and soldiers of the Chinese People's Liberation Army to learn from them.

AUSTRALIA'S HAWKE OFF TO JAPAN, PRC, PHILIPPINES

OW141016 Beijing XINHUA in English 0807 GMT 14 May 86

[Text] Canberra, May 14 (XINHUA) -- Australian Prime Minister Robert Hawke left here this morning on a 13-day trip to Japan, China and the Philippines. Although there is no press release about the tour, the aim of the trip is believed to consolidate Australia's good relations with those countries. Hawke is expected to talk with Japanese Prime Minister Yasuhiro Nakasone on the outcome of the Tokyo summit held early this month by seven leading industrialized nations. Their discussions will also include nuclear disarmament, East-West relations, the strategic situation in northern Asia and the Philippines, international cooperation and investment, tourism and financial services. It is reported that Hawke is seeking Japan's support of the South Pacific Nuclear Free Treaty Protocols, which were initiated by Australia and are to be finalized at the South Pacific forum in Fiji in August. The United States and Britain have expressed opposition to the treaty.

During his trip to China in 1984, Hawke had announced an initiative to sell iron ore from Kwinana, western Australia, to China. But, government sources have made it clear that world prices now made the Kwinana sales unlikely. Besides, negotiations have been going on over Chinese investment in an iron ore mine at Mt. Channar in western Australia. In 1985, Australian exports to China stood at some 960 million U.S. dollars while its imports from China were only 190 million U.S. dollars.

The coming visit to the Philippines, Hawke's first trip to that country, will further indicate the Australian Government's support for Mrs. Aquino's government.

Australian Foreign Minister Bill Hayden was the first foreign minister to visit Manila after the fall of the Marcos regime in late February. Hayden promised a 50-percent boost in Australia's aid to the Philippines under the new government.

HAWKE INTERVIEW ON UPCOMING PRC VISIT

OW160342 Beijing XINHUA in English 0111 GMT 16 May 86

[Text] Canberra, May 16 (XINHUA) -- Australia and China "must have a broad relationship that goes beyond bilateral economic matters to include foreign policy consultation and people-to-people contacts," said Australian Prime Minister Robert Hawke recently. Hawke made these remarks in an exclusive interview with XINHUA and the Chinese Newspaper, GUANGMING DAILY, before he left here for Japan and China on May 14. Hawke will arrive in Beijing on May 18 for an official visit to China, where he will discuss with Chinese leaders bilateral trade and regional and international issues of common concern.

"It is more than usually important to strengthen our relations at this period," he said. China's four modernizations project and open door policy, he said, "mean not only that China's economy will grow, and that it will grow with the involvement of foreign partners like Australia, but that, partly as a consequence, China will have an even more important role in the political issues of our region and the world.

The prime minister expressed the hope that the two countries should broaden economic cooperation on the basis of complementarity. "Australia produces raw materials needed for China's modernization and we also have expertise useful to China's efforts. At the same time we can provide a market for the products of Chinese industry." "During this visit, I want to give further impetus to our cooperative initiatives in iron and steel, non-ferrous metals, wool, transport and so on," he said.

On Australia's economic relations with other Asian and Pacific nations, Hawke said "We emphasize Asia-Pacific cooperation" "because if stability and prosperity become the hallmarks of our region, we can become a center of world growth and an even stronger voice -- perhaps at times a united voice -- in important international affairs."

JI PENGFEI MEETS VISITORS FROM PHILIPPINES

OW141034 Beijing XINHUA in English 1019 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- Chinese State Councillor Ji Pengfei met with Emil L. Ong, Philippine deputy minister of agriculture and food and administrator of national food authority, and his party here today. Ji welcomed Emil L. Ong as the first official of the newly-established Philippine Government to visit China. They conferred on the expansion of friendship between the two countries and their cooperation in agriculture and trade. The visitors arrived here May 11 as guests of the Ministry of Foreign Economic Relations and Trade.

PRC, UK SIGN TWO ECONOMIC AGREEMENTS 16 MAY

OW160612 Beijing XINHUA in English 0549 GMT 16 May 86

[Text] London, May 15 (XINHUA) -- British and Chinese officials today praised two agreements that will promote and protect investments and financial arrangements, saying the accords will contribute to new economic and trade cooperation between the two countries. The agreements were signed by Sir Geoffrey Howe, Britain's foreign secretary, and Zheng Tuobin, China's minister of foreign economic relations and trade.

At today's signing, Howe said he is satisfied with Sino-British relations. "We'd like to see trade between both countries expanding faster than before." The development of economic relations and trade must be mutually beneficial, he added. "We hope these documents represent a foundation for a greater expansion of mutual prosperity," Howe declared.

In his speech, Zheng said, "Sino-British relations in recent years have never been better. The political, cultural, economic and trade relations, as well as technical cooperation have been greatly enhanced." Since agreeing on Hong Kong's future, China and Britain have entered a new era and the two countries "have a bright prospect for economic and trade cooperation," Zheng added. "The agreements will promote the two-way investments and the cooperation in different forms. It will undoubtedly lead to new development of our economic and trade relations," he said. Zheng said that June's visit to Britain by General Secretary of China's Communist Party Hu Yaobang and Queen Elizabeth's trip to China in October will "open a new page in the history of the bilateral relations between our two countries."

One of the agreements signed today calls for Britain to supply goods and services for Chinese development projects. This loan is worth 300 million pounds sterling. Projects the loan will cover include a coal-fired power station in Hunan Province, a telecommunications center for the Shanghai area, a seamless steel tube mill at Daye, Hubei Province, and renovation of Luoyang No. 1 tractor factory.

The other agreement is an investment promotion and protection accord, which provides safeguards for investors and is designed to encourage business confidence and the flow of investments. British Prime Minister Margaret Thatcher met with Zheng at 10 Downing Street yesterday shortly after Zheng's arrival in London. Mrs. Thatcher told Zheng she is pleased with bilateral relations and the development of British and Chinese trade and economic cooperation. She particularly noted the achievements of China's economic construction. Zheng and the 10-member delegation he is leading also will visit Edinburgh, Scotland.

NI ZHIFU MEETS FRENCH TU DELEGATION

OW151034 Beijing XINHUA in English 1017 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, met a delegation from the General Confederation of Labor of France headed by General Secretary Henri Krasuchi here today. Ni briefed the French visitors on the current political and economic situation in China and exchanged views with them on trade union's work. The guests arrived here this morning as guests of the All-China Federation of Trade Unions.

RENMIN RIBAO ON BULGARIAN ECONOMIC REFORM MEASURES

HK141313 Beijing RENMIN RIBAO in Chinese 9 May 86 p 7

[Article by Guo Chunxiao "Bulgaria Makes Further Efforts To Reform Its Economy"]

[Text] At its 13th congress held in early April, the Bulgarian Communist Party [BCP] concentrated on discussing questions on economic reform and scientific and technological revolution. The documents and reports approved by the congress and the series of speeches delivered by Bulgarian leaders prior to the meeting showed that Bulgaria is taking new steps to promote the in-depth development of economic reform.

Bulgaria started its economic reform in 1978. It has scored some successes, but there has been no big headway. With increasingly exhausted potential for extensive operations, the rate of Bulgaria's economic development has gradually dropped. The exceptionally serious drought last year has added to Bulgaria's economic difficulties. In his opening address at the 13th BCP Congress, general secretary of the BCP Todor Zhivkov, pointed out: "The factors stimulating our country's economic development have practically been exhausted and, as a party and a state, we face a new reality." At the plenary sessions of the BCP Central Committee in February last year and January this year, the BCP further defined the focus and orientation of the economic reform, while the 13th BCP Congress held last month issued a general mobilization order to the whole country and the whole party: "We must hack our way through difficulties and carry the reform through to the end."

In light of the development in the contemporary era and the problems in the country's economic structure, Bulgaria has decided to further transfer power to a lower level, to implement a material reward system, and to adopt advanced science and technology in order to achieve economic modernization by the year 2000.

To enable enterprises to enjoy greater freedom and independence in operation and management, production activities, the sales of products, and the distribution of profits, Bulgaria will institute a system of self-government toward the enterprises, defining self-governing economic organizations as the dealers of the means of production and the state as the owner of the means of production. The latter cannot directly deal in the means of production. It only wields macroeconomic decisionmaking power by drawing up plans and promulgating laws and economic standards, but it does not interfere in the trivial activities of the dealers. The principle of departments being put in charge of the work, which has played a positive role in the past, has lost its role under the present conditions. The methods of management which are still used today are no longer suited to the demands of economic development in the era of scientific and technological revolution. It is necessary to institute economic organizational self-government in order to overcome bureaucratism in economic leadership work and to make a transition to new methods of management. Toward this end, Bulgaria has abolished eight ministries in charge of economic work and set up three commissions directly under the Councils of Ministers: the Economic organizations and enterprises may establish direct relations with the commissions.

In the field of distribution, the existing Bulgarian wage and reward systems cannot fully reflect the socialist principle of distribution according to work characterized by "more pay for more work and less pay for less work." For this reason, Bulgaria has decided to adopt a flexible form of wages. It has extensively instituted a performance surplus wage system and a collective contracted wage system, which have been tried out in a number of labor organizations, in order to link the individual income of workers with the ultimate production results of the collective. In this way, the initiative of the workers will be aroused and all members of the collective will pay attention to adopting new technologies, reducing material consumption, improving product quality, and manufacturing readily marketable and competitive products.

In an effort to make its products more competitive on the international market, to increase exports, and to earn more foreign exchange, Bulgaria will encourage enterprises to engage in foreign trade and to compete on the international market and the state will adopt economic levers to facilitate competition. In line with the principle of each taking care of foreign exchange itself, the enterprises are allowed to use the foreign exchange they earn through competition on the international market and the state will adopt economic levers to facilitate competition. In line with the principle of each taking care of foreign exchange itself, the enterprises are allowed to use the foreign exchange they earn through competition on the international market to purchase advanced equipment from abroad and to import advanced technology.

At the plenary session of the BCP Central Committee last January, Zhivkov pointed out: "It is necessary to conduct a fundamental reform on both the economic base and the superstructure." Accordingly, Bulgaria had decided to institute a system of economic accounting among scientific research organizations, to contract for scientific research projects, and to reward those undertaking research projects not listed in the plans in order to link the material interests of the scientific research workers closely with the achievements in scientific research.

To ensure the smooth progress of economic reform, since the beginning of this year Bulgaria has carried out large-scale personnel readjustments among high-level party and government departments. More than 30 cadres at and above the ministerial level, including the chairman of the Council of Ministers, have been replaced and a number of new people who are in the prime of life, understand professional skills, and have practical work ability have been promoted to leading posts in the party and government.

The Bulgarian economic reform has entered a new stage. Naturally, the progress of the reform is not smooth sailing. As Zhivkov put it: "Our reform is complicated and difficult and the success or failure of our reform depends to a large extent on the correct and unswerving implementation of our new concepts and new methods." However, economic reform is undoubtedly the road Bulgaria must follow for its continuous economic development.

CSSR TO CONTINUE NUCLEAR POWER CONSTRUCTION

OW150252 Beijing XINHUA in English 0152 GMT 15 May 86

[Text] Prague, May 14 (XINHUA)-- Stanislav Havel, chairman of Czechoslovak Atomic Energy Commission, said today that the Soviet Union's Chernobyl accident will not affect Czechoslovak plans to build nuclear power stations. By 1985, Czechoslovakia had completed three nuclear power stations. Four others are planned, according to the Czechoslovak news agency CTK. Energy generated from the nuclear power stations makes up 15 percent of the country's total. Officials predict it will reach 30 percent by 1990, and 60 percent by the year 2000. Havel said radioactive levels have risen throughout the country since last month's Chernobyl accident. But, he added the levels are not considered harmful to people's health.

LIBYAN SPECIAL ENVOY FROM AL-QADHDHAFI VISITS PRC

Meets Zhao Ziyang

OW160952 Beijing XINHUA in English 0933 GMT 16 May 86

[Text] Beijing, May 16 (XINHUA) -- Premier Zhao Ziyang told a special envoy of Libyan leader Mu'Ammar al-Qadhdhafi here today that China supported the Libyan people in their struggle for safeguarding national sovereignty. The premier also said China was opposed to all kinds of terrorism, and that the country was concerned about the tension in the Mediterranean. He urged all parties concerned to exercise restraint. China condemned the United States bombing raids on Tripoli and Benghazi on April 15. Today, Zhao told special envoy 'Abd-al-Ati 'al-Libaydi that China believed that international disputes should be settled through dialog and consultations instead of force or threat of force.

Modern history had proved that relations between countries should be based on the five principles of peaceful co-existence rather than on ideological agreements or differences. Relations between countries on the basis of the five principles -- good-neighborly relations between adjacent countries in particular -- were in the best interests of the countries concerned, and strengthened regional and world peace. Zhao said China had noted Libya's repeated declarations of its opposition to terrorism. China had been consistently opposed to all kinds of terrorism and the use of terrorism as a form of political struggle because its victims were often innocent people. Libaydi expressed Libya's thanks for China's support. Zhao thanked Ubaydi for an oral message conveyed by him from Al-Qadhdhafi to Chinese leaders, and for the introduction on Libyan-U.S. relations and the situation around Libya.

Holds Press Conference

OW160812 Beijing XINHUA in English 0752 GMT 16 May 86

[Text] Beijing, May 16 (XINHUA) -- Special envoy of Libyan leader Mu'Ammar al-Qadhdhafi, 'Abd-al-Ati al-Ubaydi, said Libya, too, opposes terrorism, while speaking on international terrorism at a press conference here today. Terrorism can not be of much help to national liberation, nor can it win the sympathy of the people, he said. Libya is willing to cooperate with other countries in the struggle against terrorism, and has proposed to the United Nations the convening of a meeting against terrorism. The special envoy gave a brief account of the U.S.-Libyan clashes over the past months. Concerning his current mission to China, he said he was satisfied with it, adding that he was grateful for the support of the Chinese Government and people for the Libyan people's struggle to safeguard their national independence and sovereignty.

PRC ENVOY IN TOGO MEETS PLO'S YASIR 'ARAFAT

OW110205 Beijing XINHUA in English 0145 GMT 11 May 86

[Text] Lome, May 10 (XINHUA) -- The President of the Palestine Liberation Organisation (PLO) Yasir 'Arafat met Chinese Ambassador in Togo Li Peiyi Saturday during his official visit here. The two parties had a friendly and cordial meeting. 'Arafat said the Palestine people cherished deep sentiment towards the Chinese Government and people which firmly supported the Palestinian cause. The Chinese ambassador reiterated China's consistent policy of support for the Palestine and Arab people.

HU QILI MEETS CAMEROON ASSEMBLY DELEGATION

OW151207 Beijing XINHUA in English 1152 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Hu Qili, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met here today a delegation from the Cameroon National People's Democratic Assembly headed by its Vice-President Andre Ngongang Ouandji. Hu told the visitors that the coming of the delegation shows the importance the Cameroon Assembly attaches to the friendship between the two parties and two countries. He said that China and Cameroon are both developing countries with many similarities. They are also facing the same task of developing their national economies. In international affairs, they both stand for peace and independence, and oppose arms race and power politics. He also spoke highly of the national rehabilitation policies formulated by Paul Biya, president of the Cameroon assembly.

Ngongang Ouandji said that President Paul Biya, his assembly and the Cameroon people attach great importance to developing their friendly cooperation with China. He said that the achievements of China-Cameroon cooperation fully demonstrate the soundness of such a cooperation, and expressed the hope that cooperation between the two countries will become more diversified.

Hu Qili asked Ngongang Ouandji to convey greetings from Hu Yaobang, general secretary of the CPC Central Committee, to President Paul Biya. Hu hosted a dinner for the visitors after the meeting. The visitors will leave here for other parts of the country tomorrow.

PRC OFFICIAL VIEWS POPULATION POLICY AT CONFERENCE

OW152031 Beijing XINHUA in English 1741 GMT 15 May 86

[Text] Harare, May 15 (XINHUA) -- African countries should formulate their population and development strategies independently depending on their own conditions, says He Ying, member of the Standing Committee of the Chinese National People's Congress (NPC). He made the statement here today in a speech at the All-Africa parliamentary conference on population and development, which opened Tuesday and is aimed at providing opportunities for African parliamentarians to exchange views on the population problem on the continent. He, who is also an expert on African affairs, is attending the conference as an observer. He said the population policy of a certain country is a matter that should be decided by that country alone in line with its own national conditions. "This by no means rules out the efforts to learn from each other and share experience with other countries," he added.

China welcomes the opportunity to carry out cooperation and exchange views on the population question with the African countries, he said.

"In view of our large population and growth momentum, we advocate 'one couple, one child' practice for a period of time in order to slow down the excessively rapid increase of population," he said, explaining China's population control policy to the African parliamentarians. "But this does not mean each couple is not allowed to have more than one child," he said. He said China also seeks to improve population quality while exercising control on population growth. China's family planning program has been worked out in the vital interests of the Chinese people and is aimed at achieving prosperity at a faster pace, he said.

SOPHISTICATED WEAPONS WIN TOP STATE AWARDS

OW151503 Beijing XINHUA in English 1413 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Technological breakthroughs involving underwater submarine launching of a surface missile, and development of surface-to-surface long-range missiles and carrier rockets have won China's highest national award this year, government officials said today.

The announcement of the awards marked the first time China has disclosed that work on sophisticated weapons had been honored.

In civilian research, the 23 special class award winners included a water-injection technique that will enable Daqing, China's largest oilfield, to sustain a stable and high output. Also honored was new technology used to build Nanjing's Yangtze River bridge and the giant Gezhouba power project and related hydroelectric generating units along the Yangtze.

Other military winners included improved methods for treating wartime wounds caused by recently developed weapons, atomic and hydrogen bomb research and refinements of high altitude, high speed interceptor aircraft, recoverable satellites and tracking, and observation equipment used in national defense.

ZHAO ZIYANG ATTENDS SCIENTIFIC AWARDS MEETING

OW160136 Beijing XINHUA Domestic Service in Chinese 1603 GMT 15 May 86

[By reporters Wu Ming and Zhang Jimin]

[Text] Beijing, 15 May (XINHUA) -- A national meeting to award achievements in science and technology was held ceremoniously today in the Great Hall of the People. Zhao Ziyang, premier of the State Council, addressed the meeting, calling on all scientific and technical personnel in the country to work hard for comprehensive fulfillment of the Seventh 5-Year Plan.

The awards meeting was presided over by Fang Yi. Also present were Wan Li, Xi Zhongxun, Li Peng, Yang Shangkun, Hu Qili, Hao Jianxiu, Liu Lantao, Song Shilun, Zhou Gucheng, Zhang Jingfu, Zhang Aiping, Wang Bingqian, Hong Xuezhi, Zhou Peiyuan, Mao Yisheng, and Qian Xuesen. Nie Rongzhen wrote a message of greetings to the meeting.

The meeting gave awards to 1,761 projects that won the state science and technology progress prizes, 185 projects that won the 1985 state invention prizes, and 115 projects and 37 individuals that won prizes for achievements in solving key problems in science and technology during the Sixth 5-Year Plan. Apart from this, the meeting commended the scientific and technical personnel who were prize winners at the international invention expositions held in Geneva and Yugoslavia and the World Young Inventors' Achievements Exhibition in Bulgaria. China won more than 40 medals at these three exhibitions.

To the tune of cheerful music, representatives of the winners mounted the rostrum and happily received cups, medals, and citations from the hands of the central leading comrades. Warm applause burst out from the nearly 7,000 participants in the meeting. Then, amid the beating of drums, a young pioneer of the capital delivered a message to extend warm congratulations to the scientific and technical personnel on behalf of more than 310 million children in the country.

Zhao ziyang began his speech by expressing appreciation and extending greetings on behalf of the party Central Committee and the State Council to those scientific and technical personnel who had performed meritorious deeds for the motherland and the people.

He said: The projects winning awards this time are all capable of providing significant economic or social benefit. Many of them can provide an annual benefit of over 1 million yuan, quite a few can yield an annual benefit of more than 10 million yuan, and the benefit from some projects is over 1000 million yuan or even over 1 billion yuan. This is a result of your continued efforts to make further explorations on the basis of your predecessors' achievements and the joint efforts made by you and the broad masses of physical laborers. As a principal force in accomplishing the projects, you have no doubt played a special key role in creating and applying these achievements in science and technology.

He said: Very good work was done in completing the key scientific and technological projects contained in the Sixth 5-Year Plan. Of these projects, 98 percent met the time schedule and other requirements called for by the contracts, while 80 percent were put into use. This shows that we should not underestimate our capabilities. Even though we had a relatively poor foundation to start with and our present conditions are still unsound, the Chinese scientific and technical personnel have aspirations and are capable. We should be proud of our contingent of scientists and technicians.

Zhao Ziyang said: The tasks currently faced by the people of the entire country are to strive to accomplish the Seventh 5-Year Plan. The tasks laid down in the Seventh 5-Year Plan are more arduous than those of the Sixth 5-Year Plan. But accomplishing the Seventh 5-Year Plan will definitely bring greater benefits to the people, and therefore it is greater and more glorious than the Sixth 5-Year Plan. The Seventh 5-Year Plan presented a series of new and more challenging tasks to our scientists and technical workers. Key development projects listed in the Seventh 5-Year Plan cannot be copied from what we already have. The technological level of the great majority of these projects should reach that attained by developed nations in the late 1970's and early 1980's and many technological problems remain to be solved. He stressed: While actively developing modern industries, we should step up our efforts in modernizing our conventional industries. All kinds of advanced and applicable technologies should be widely employed as early as possible by large, medium, and small enterprises, including village and township enterprises. Agricultural, forestry, animal husbandry, and fishery industries should study new technologies and species that will possibly bring breakthroughs to production. In order to raise our scientific and technological level, to develop new technologies, and to gain a better knowledge of our natural environment and resources, we should also devote greater effort to the study of relevant basic and applied sciences and employ modern sciences and technologies on management of economic affairs. To achieve the goal of quadrupling the total industrial and agricultural output value by the end of the century, and to strive to improve the quality and living conditions of 1 billion people is a task involving all sectors of our society, and is the major battlefield for our science and technology front. He said: In addition, we should organize some of our most capable scientists and technological workers to keep us in step with international progress in some of the most important high technological fields to make us technologically prepared for further domestic economic development early in the next century.

Zhao Ziyang said: We have quite a few difficulties in the Sixth 5-Year Plan. In retrospect, we find that difficulties did not surmount us, but instead we overcame all of them.

In the coming 5 years, it can be expected that extensive reform of the economic and science and technology systems, and amending and perfection of policies on various issues will provide a new impetus for closely integrating scientific and technical work with economic development. The party Central Committee and State Council believe that with the joint efforts of the veteran, middle-aged, and young scientists and technical workers who are known for their glorious traditions and hard working spirit, our scientific and technological work will progress year after year.

Yang Jun, chairman of the State Committee for Evaluating Scientific and Technological Progress, and Zhang Shou, head of the leading group for preparations for the meeting to commend outstanding scientific and technological achievements in the Sixth 5-Year Plan, briefed the meeting on the evaluation of scientific and technological progress and on summing up scientific and technological accomplishments in the Sixth 5-Year Plan.

Before the meeting, party and government leaders had a photo taken with the representatives of the recipients of the scientific and technological achievement awards and the representatives attending the meeting to commend outstanding scientific and technological achievements in the Sixth 5-Year Plan.

SPACE EXPERT ON PLANNING FOR SPACE STATIONS

HK140629 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0243 GMT 13 May 86

[Report by ZHONGGUO XINWEN SHE reporter Dai Yaping: "Focusing Our Eyes Upon Space Stations -- A Visit to Noted Chinese Aerospace Expert Ren Xinmin"]

[Text] Beijing, 13 May (ZHONGGUO XINWEN SHE) -- In 30 years of time, China's aeronautics [as received] industry has succeeded in making three breakthroughs: to fly in space, to return to earth, and to launch synchronous telecommunications satellites which are harder to launch and of more complicated technology.

What is planned for the next step in the development of China's astronautics industry? This question concerns people at home and abroad.

Recently, this reporter interviewed Ren Xinmin, chairman of the Science and Technology Committee of the Ministry of Astronautics Industry and asked this No 1 technological authority in China's astronautics industry.

Ren Xinmin said that in the past 30 years, China formulated its medium-term plan for the development of its astronautics industry and fulfilled, in the light of the targets of that plan, the tasks of researching manufacturing and launching Changzhen 1 and Changzhen 2 rockets and various types of satellites and telecommunications satellites. At the same time, it established an integrated astronautics industry with design, research, manufacture, launch, tracking, measuring and control systems. Since 1975, we have succeeded seven consecutive times in recovering the recoverable satellites launched by Changzhen 2 carrier rockets and succeeded in launching synchronous telecommunications satellites with Changzhen 3 carrier rockets twice in a row. Following the United States, the Soviet Union, and France, China has become a country with a developed space technology.

China's modernization program has raised urgent demands for its astronautics technology.

For example, it wants the technology to relay its television broadcasting to its vast land area, to satisfy the urgent demands for improving its backward post and telecommunications technology, to ease the thirst of our agriculture and other sectors for accurate weather forecasts, and to live up to the great hopes that its education, mineral resources, measuring and mapping, communications, seismologic, archeological, and other departments have placed on the development and application of China's astronautics technology.

Ren Xinmin said that in order to maintain the rate of continuous development of China's astronautics technology, in order to provide more advanced research means for modern science and technology, and in order to apply advanced astronautics technology to its national economic construction, China's next goal should be to establish its own space station by the end of this century.

He said that the space station being planned would be a kind of modular structure to be assembled in space. Therefore, China must first develop and manufacture space shuttles, which should be medium-sized. In addition to sending astronauts to work on the space station, these space shuttles could also be used to carry out tasks such as launching, repairing and recovering industrial experiments and processing in space. From now on, China will begin to carry out the theoretical and preparatory research into these two projects and spend small amounts of funds to carry out necessary investment and preparatory work.

Ren Xinmin told this reporter that in Premier Zhao Ziyang's report on the Seventh 5-Year Plan, he clearly raised the tasks of striving to score relatively great achievements in researching and developing new and higher technology and making great efforts to achieve new developments in astronautics and other technology in order to create conditions for putting our national economy on a new technological foundation. In the Seventh 5-Year Plan period, China will launch a number of satellites for practical purposes.

When we parted, Ren Xinmin said that as the development of the astronautics undertakings were closely related to the prosperity and progress of the whole nation, it was necessary to set up a unified national organ to coordinate and direct the development of astronautics technology in the whole country. He called on all the people in the country to show concern for the development of China's astronautics industry.

WORLD'S MOST ADVANCED LASER DEVELOPED IN TIANJIN

OW140850 Beijing XINHUA in English 0634 GMT 14 May 86

[Text] Tianjin, May 14 (XINHUA) -- Scientists at Tianjin University in north China said today they have developed the world's most advanced laser for the study of microscopic electronic, chemical and biological processes.

Called a "collision mode-locked laser," it can sense light differences occurring in as little as 0.03 trillionths of a second, according to Wang Qingyue, one of the seven inventors at the university.

The next most sensitive laser, developed in 1981 in the United States, can sense differences occurring in 0.1 trillionths of a second, Wang said.

LIAOWANG ON TECHNOLOGICAL IMPORT PRACTICES

HK140657 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 14-15

[Article by Cao Jiarui: "The Present Condition of, and Problems in China's Technological Imports (Part 1)"]

[Text] Abstract: Importing foreign advanced technology is an important component of opening the country to the outside world. In recent years, a planeless, chaotic situation has emerged in the import of technology. The article holds that the drawbacks of the socialist economic structure characterized by planned management and a comprehensive balance have led to a planeless, chaotic situation in technological imports originally placed under unified planning. The author pointed out that the problem does not lie in whether or not the plan is unified but in whether or not the planning structure is rational and the planning method is correct. The article penetratingly analyzes the limitations of the current practice of relying on departments in charge of comprehensive management to coordinate imported items and the lack of a scientific approach in the practice of relying on administrative means to examine and approve imported items.

How can we solve these problems? The author will continue to explore them in the follow-up parts of this article. Part 2 will concentrate on discussing, from a microeconomic point of view, the internal motive force lying behind the import of technology by enterprises and part 3 will explore, from a macroeconomic point of view, the state's strategy for technological imports and the management measures that should be taken. [end abstract]

Three Great Changes

By and large, three great changes have taken place in China's technological imports since 1978.

1. Before 1978, China imported technology primarily through the import of "complete sets of equipment" and the building of new factories. This played a positive and useful role in laying a foundation for China's industrialization, filling in the gaps, and meeting the urgent needs of national economic development. However, it also led to a certain "polarization" in industrial production -- a small number of new plants equipped with advanced machinery and a large number of obsolete and backward enterprises. With the readjustment of the national economy, the transformation of existing enterprises as stressed by the central authorities, and the implementation of a policy of opening up to the outside world, numerous forms of technological imports based on the "licenced trade" have rapidly developed since 1979 but the number of "complete sets of equipment" imported into the country has dropped considerably. This shows that the work of importing technology has rapidly been reoriented to the technological transformation and progress of the existing enterprises.

2. Before 1978, the import of technology was primarily arranged by the central authorities under unified planning and the local authorities at various levels had little role in the matter. In recent years, with the implementation of the policy of opening up to the outside world and invigorating the domestic economy, all provinces, autonomous regions, and municipalities directly under the central authorities, as well as many large and medium-sized cities, after passing through the stage of "three forms of import processing, and compensation trade" (processing with supplied materials, designs, and samples, and compensation trade) in the initial period, have energetically planned, arranged, and participated in the work of importing technology for the localities. In the past 3 years, technological imports have become routine work throughout the country.

3. With the promulgation and implementation of the "Law Governing Chinese-Foreign Joint Ventures" in 1979, technological imports have been integrated with the work of attracting direct foreign investments. The proportion of industrial production in Chinese-foreign joint ventures is growing year by year.

Over the past 7 years and more, hundreds of imported technological projects have yielded notable results. These results can generally be summed up in the following aspects:

1. We have speeded up the development and production of new products. Generally speaking, a relatively successful project can narrow a 20-30 year gap in output level in about 2 years...

2. We have learned new ideas on product designing and operational and managerial skills, which have not only improved the competence of the enterprise technical force but also, with the improvement of operations and management, increased the economic and financial profits of the enterprises.

3. The import of technology has stimulated the development of some relevant technologies, prompting the development of their results in a lateral direction.

However, many problems still exist in the work of importing technology. These problems are hindering the further development of technological imports.

Problems and Drawbacks of the Existing Structure

Comments on problems in the work of importing technology largely center on duplicate imports, decentralization in dealing with foreign firms, and the digestion and assimilation of imported technology. In fact, the problems in technological imports are much more than the three points mentioned above. Why are the macroeconomic results of technological imports? How have the import substitutes and expansion of exports been handled? Why has the assembling of parts been on the increase? Why is it difficult to raise the quality of our own products? What is it that technological imports have been "suddenly checked" particularly since the spring of last year? Under such circumstances, it is of far-reaching practical significance to raise the question of studying and solving the management of technological imports on the macro level. This is a difficult problem. Our historical experience shows that, when it comes to such problems as management, we have always failed to break away from the framework of "control leads to rigidity and decentralization causes disorder." To break away from this framework, we have to concentrate on analyzing the drawbacks of the existing structure.

China is a country practicing planned economy. All technological import projects are listed in the plans of either the central or local authorities and all imports are conducted according to a legal procedure. As a matter of fact, however, a planless, chaotic situation has emerged. For example, we have imported over 100 color television assembly lines. If all of them go into operation, the output will be many times larger than the calculated market capacity. However due to our failure to solve the problem of producing the parts in the country, the assembly lines have consumed a lot of foreign exchange. The situation in refrigerators, washing machines, and so on is also similar. Floppy disks, which are used in computers for storing memory, should preferably be mass produced. But, with almost all provinces and municipalities wanting to produce floppy disks themselves, the production scales are very small and the management is decentralized.

Some people say that so long as we strengthen unified planning, the problem can be readily solved. In appearance, this is a fairly reasonable argument. Since we only have one plan, we shall be able to avoid duplication, decentralization, and lack of coordination. In truth, the fact is not so simple. Some years ago, when all civil engineering and installation work for the four imported projects of the Wuhan iron and steel complex was completed and everything was ready, the plant could not operate properly because of the lack of electricity. This is a problem occurring under highly unified planning. A high tide of imports centering on 32 "complete sets of equipment" emerged in 1978. In one year we signed contracts with a total value doubling that of the contracts signed in the previous 5 years. This was followed by an "emergency brake" in early 1979 and the revocation, termination, or cancellation of contracts. There are many similar examples. We can thus see that the problem does not lie in whether the plan is unified or concerted but in whether China's planning system is rational and our planning method is correct. Or, speaking in more concrete terms, where does the demand for, and the motive force behind, technological imports come from? What are the purpose and objective of technological imports? Who are the genuine policymakers and what are the bases for making policy decision?

The Limitations of the Departments in Charge of Comprehensive Management in Coordinating Work

The crucial point of our existing system is the division of departments and regions, which develops into a series of complicated contradictions between different departments, between department and region, and between different regions. Duplicate imports and decentralization in dealing with foreign firms are related to the above-mentioned contradictions because everyone wants to have a system of his own. Therefore, some people expect the department in charge of comprehensive management to do the coordination and balancing work. This method may be effective but practice in the past several decades has proved that the departments in charge of comprehensive management also have limitations in coordinating work and, therefore, it is obviously unrealistic to rely on the departments in charge of comprehensive management to coordinate everything.

Two different departments imported basically the same technology for producing a fireproof material used in glass smelting furnaces. For this reason, some people said that was a case of duplicate imports. However, the two projects were approved by the same commission one after another at short intervals and were undertaken by two different bureaus of the commission.

Optical waveguide telecommunications are a new technology that China should urgently develop. Because the telecommunications undertaking is characterized by its relatively high concentration, some people suggest that, if we can make use of, and give scope to, the achievements and advantages of the departments concerned in the study of optical waveguide in coordination with technological imports and use this as a starting point to develop a comprehensive system in China, for the designing and construction of a project to the supplies of equipment and materials, as well as the production of fibers, cables, optical parts, and necessary accessories, we shall be able to attain immediate results in the development and application of China's optical waveguide telecommunications technology. This will plan a positive role in putting an end to the backwardness of China's telecommunications undertaking. However, who will organize and solve this problems?

The present conditions are such that, for the production of optical waveguide fiber and optical waveguide cable alone, one unit is holding talks with the (Commins) [kang nin 1660 1337] Company of the United States, another with the Philips Company of the Netherlands, a third with the (Furukawa) [gu he 0657 3109] Company of Japan, and there may be possibly a fourth and a fifth company. If each of them strikes a bargain, the production capacity will again exceed the demand by several times. Two departments at the central level have been appointed to coordinate the work of importing optical waveguide telecommunications technology. However, since they do not stand above, but are involved in, the contradiction, whether their coordination efforts are effective will still be judged through practice.

Can We Ensure Soundness by Relying on the Examination and Approval Procedure?

There are also people who hold that duplicate imports and decentralization in dealing with foreign firms are caused by inadequate information facilities. But information exchange does not necessarily solve the problems of duplicate imports and decentralization. Others hold that we should rely on the examination and approval procedure to ensure soundness. However, that is the basis of our doing so?

In 1980 China imported from the FRG a technology for manufacturing small square base [fang pi 2455 0999] continuous casting machines under cooperative production. We manufactured a few sets, which were used in several steel plants with satisfactory results. This news has been reported in the newspapers, this machine has been on display in exhibition halls, and this project has been cited as a successful example on numerous occasions. Considering the circumstances and judging by common sense, if steel plants in our country need this type of continuous casting machines in their technological transformation, they should first choose the products manufactured in our country with foreign technology. The State Council stipulated this guideline in explicit terms in its circular as early as in 1981. However, a certain plant wanted to import a small square base continuous casting machine from abroad in 1985. The provincial branch of a certain bank made an "assessment report" similar to a feasibility study. The report pointed out that because of the lack of necessary accessories and insufficient production capacity, the imported manufacturing technology could meet the needs of this project. As far as we know, the unit making the "assessment" neither contacted nor consulted the plant which had imported the technology and was manufacturing and supplying the small square base continuous casting machines. Nor did it contact the higher authorities in charge of the plant. It can be said, therefore, that its conclusion was not drawn from realistic investigation and study but was drawn with the aim of catering to a certain intention. Since there was an "assessment report," the economic commission of the province, which is responsible for examining and approving import projects, granted the plant permission to hold talks with foreign firms and to sign a contract for the import of the machine. By "approving" the import, it has ignored the stipulations of the State Council and the spirit of seeking truth from facts. We can thus see that it may not be enough to rely on the examination and approval procedure to ensure soundness.

This example has given rises to two questions:

First, what is the function of feasibility study? Second, is it necessary to protect the fruit of technological imports?

Usually, feasibility study is a process of scientific investigation, studies, analyses, forecasts, and demonstrations and is aimed at verifying the feasibility of the original plan and providing policymakers with the basis for making policy decisions. In China, however, a feasibility study seldom draws a different conclusion. This is because these "feasibility studies" are in most cases a mere formality in the examination and approval procedure. First, there must be an intention; then, investigation and study are carried out with a certain prejudice to prove the feasibility or correctness of the intention; and lastly, the policymakers (who are probably the ones having the intention) make policy decisions according to the results of the feasibility study, and its function are forfeited.

Importing foreign technology is aimed at increasing China's capability to be self-reliant. However, if we still import what we can produce and supply following the imports of foreign technology, how can we reflect our "original intention" of importing advanced technology? This example is not confined to the import of small square base continuous casting machines alone. This practice will also adversely affect the initiative of the foreign firms supplying advanced technology. Senior personnel of several American companies indicated that, if China does not take some protective measures to protect the fruit of technological imports, they will no longer be interested in transferring technology to China.

There are so many problems that it is impossible to exhaust them in this article. We should not be afraid of problems. What we should be afraid of is to attempt to conceal the problems and the roots of the problems. To sum up, great changes have occurred in our technological imports since 1979. However, one thing has never changed, namely, technological imports are still placed within the framework of government administrative command based on the power structure and the emergence and existence of numerous problems today are closely related to this reality. If we merely make provisions as the problems stand or adjust the division of power among various government organs, it will be difficult to solve these problems. The administrative system of technological imports based on effective control over major issues while allowing flexibility on minor ones can only be gradually established by reforming the economic structure. The questions of adopting macroeconomic control measures toward technological imports, as well as the motive force lying behind the technological imports, will be further discussed in the ensuring parts of the article. (to be continued)

RESEARCH, FOREIGN S&T IMPORTS TO CONTINUE

OW131558 Beijing XINHUA in English 1547 GMT 13 May 86

["China To Push Ahead With Scientific Research" -- XINHUA headline]

[Text] Beijing, May 13 (XINHUA) -- China will continue pursuing its own scientific and technological research over the next five years while introducing more foreign technology, a national meeting here was told today.

The country will conduct 76 major scientific and technological research projects during its Seventh Five-Year Plan (1986-1990), twice the number carried out in the past five years, said Song Ping, state councillor and minister in charge of the State Planning Commission.

He was speaking at today's opening session of a three-day meeting on scientific and technological achievements of the past five years.

Song said that the new projects, some of which were already under way, covered both agriculture and industry.

The agricultural projects would help improve major varieties of grain, cotton, and oil-bearing crops, as well as provide the public with more meat, eggs, poultry and fish. The industrial projects were intended to enable China to catch up with advanced world technology of the late 1970s and early 1980s.

Meanwhile, minister in charge of the State Economic Commission Lu Dong told the meeting that China would continue introducing foreign technology and "key equipment", which the country "cannot produce in the short term, but is currently capable of importing". However, Lu said that China must quickly digest this advanced technology. Such introduction and digestion would provide "a short cut" for China in its bid to catch up with developed countries.

PROGRESS IN NUCLEAR, OTHER ENERGY FIELDS NOTED

HK150631 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 16-17

[Article by Yi Xiao and Zhang Yaoliang: "Chinas Energy Policy and the Daya Bay Nuclear Power Station"]

[Text] Recently, the Guangdong Nuclear Power Joint Ventures Company, jointly run by the Guangdong Nuclear Investment Company and Hong Kong Nuclear Investment Company, signed a letter of intent with British and French manufacturers on equipment supply and engineering services for Shenzhen's Daya Bay nuclear power station. According to this letter of intent, the Daya Bay nuclear power station will purchase two 900,000 kw-class pressurized water reactors (nuclear island) [he dao 2702 1497] from Framatome of France and a complete turbogenerator (conventional island) [Chang gui dao 1603 6016 1497] from Britain's [General Electric Corporation] GEC. Electricite de France will offer engineering services.

Six years has passed since both sides began to discuss the construction of this project. In the first 4 years, they carried out feasibility studies, surveyed the area where the power station will be located, and established a joint company. At the same time, some basic projects were started. In the following 2 years, talks were held on some major technical, commercial, and price problems concerning ordering of equipment and engineering services. The signing of the letter of intent shows that satisfactory results have been achieved. Now the construction of the nuclear power station can be advanced. It is estimated that the formal contract will be signed in September this year.

New Development of China's Energy Policy

The achievement symbolizes a new development of China's energy policy, showing that nuclear power has become a part of China's entire energy strategy.

The shortage of electric power, which is a kind of reproduced energy, is a key problem in China's construction of the four modernizations. The nationwide shortage of electric power has already lasted more than 10 years, and there has been an increasing contradiction between supply and demand. To satisfy the needs of economic development, China's total energy consumption will be doubled in the next few decades, and there will be a particularly urgent need for electric power.

Although China has a vast territory with rich hydropower, geothermal, coal, oil, and other primary energy resources, when shared by the 1 billion people, these resources are still very few. Take coal resources for an example -- China's per capita reserve is only about half of that of the world's average figure.

Moreover, its distribution is also uneven. The coastal areas in south-eastern China from the Changjiang Delta to the Zhujiang Delta are the most developed areas in China. However, they are also the areas seriously lacking electric power and most deficient in energy resources. For this reason, priority has been given to them, and the first two nuclear power stations are to be built in Zhejiang and Guangdong.

The construction of nuclear power station requires a large investment. But since fuel consumption is small, the energy used for transporting coal can be saved. Besides, pollution caused by burning coal can be reduced. Along with the development of science, nuclear power has become a safe, clean, and economic type of energy resource. Moreover, the development of nuclear energy can also promote the development of the most advanced branches of science and technology. It will also be conducive to improving the electric network in eastern and southern China. It may be appropriate to say that by developing nuclear power, which is a supplement to China's energy structure, in the coastal areas, China is actually using the best steel to make the knife's edge.

China's energy policy has been worked out after repeated deliberations, consultations, and practice over a rather long period. On nuclear power alone, it has taken many years to repeatedly discuss matters concerning technological and economic as well as macro and micro problems. For example, on technological problems, what kind of reactor should be adopted, a light-water reactor, heavy-water reactor, pressurized-water reactor, or boiling-water reactor? On economic problems, since China is a large country with rich water, coal, and oil resources, is it reasonable to develop high-priced nuclear power stations? On the question concerning the energy structure, in what position should it be placed? Furthermore, since China is already a nuclear power having a comparatively perfect nuclear industrial system and considerable nuclear fuel reserves as well as the ability to build 600,000 kw-class nuclear power installations with its own efforts, although it started later than other countries in using nuclear energy for peaceful purposes, should it mainly rely on its own efforts or mainly rely on foreign equipment purchased from abroad in developing nuclear power?

More than 10 years have passed since Premier Zhou Enlai proposed in the early 1970's that China should organize forces to build nuclear power stations. Now, after several setbacks, China has already worked out a comparatively perfect and realistic energy policy. According to this policy, energy construction will be carried out concentrating on electric power. In developing the power industry, all power plants, big or small, hydropower, thermal power, or nuclear power plants, whether owned by the central or local authorities, by the state or the collective, with Chinese or foreign investment, will be developed simultaneously. In developing nuclear power, while laying stress on self-reliance, it is also necessary to do all we can to seek the support and cooperation of foreign technology. We can introduce foreign technology in diverse ways, such as introducing complete sets of equipment and technology as we are doing for Daya Bay, or introducing single-item technology when necessary during construction. Only by bringing all factors into play can we ensure that the increase of our electric power will satisfy the needs for attaining our strategic goal of "quadrupling" the total industrial and agricultural output value by the year 2000.

According to calculations by the Energy Research Institute of the State Economic Commission, the total generated energy should reach at least 1,200 billion kilowatt-hours a year by that time even though measures are taken to economize on energy. For this reason, during the Seventh 5-Year Plan, the investment in power construction will constitute more than 50 percent of the total investment in energy development. Compared with hydro and thermal power, nuclear power is but a supplement to the former in China's recent power development plan. But recently, the State Council decided that developing nuclear power should be taken as the main task of the Ministry of Nuclear Industry. Now the ministry is drafting a plan for developing nuclear energy on a considerable scale in order to fulfill the state's Seventh 5-Year Plan. At the beginning of this year, the Daya Bay nuclear power station was formally put under the administration of the Ministry of Nuclear Industry. From all this we can see that there are vast vistas for the development of nuclear power in China.

New Progress in the Policy of Opening Up

What should be pointed out is the Daya Bay nuclear power station is not only an achievement of China's policy of opening up to the outside world, but also shows that China will firmly and unswervingly carry on this policy. The total cost of building the Daya Bay nuclear power station is about \$3.7 billion, second only to that of the Baoshan Iron and Steel Complex among all the imported projects. Being a Chinese-foreign joint venture, the scope is also unprecedented. The safety shell for the 300,000 kilowatt-class generator at the Qinshan nuclear power station, which is located at Haiyan, Zhejiang Province, is now under construction. In addition, two 600,000 kilowatt-class generators will also be built. Although this power station is being built in accordance with the policy of self-reliance and is designed by China itself, it does not exclude cooperation with other countries on technical items and purchase of necessary equipment from abroad at reasonable prices. This shows that under the guidance of the policy of opening up to the outside world, China no longer sets introducing technology, equipment, and funds against the policy of self-reliance, but has ingeniously linked up the two.

Expression of Resolution and Confidence in Hong Kong's Economic Prosperity and Stability.

The responsible person of the Guangdong Nuclear Power Joint Venture Company told reporters that the construction of the Daya Bay nuclear power station is not merely aimed at solving the problem of the lack of electric power in this province, it is also an investment by China to maintain the prosperity and stability of Hong Kong. According to the agreement, after the power station is completed, some 70 percent of the generated energy will be supplied to Hong Kong. Two generators will be put into operation in 1992 and 1993 and will be linked with the electric network of Guangdong and Hong Kong. At present, Hong Kong's electric supply is more than sufficient. The plan for transmitting nuclear power to Hong Kong is based on the general estimation of Hong Kong's steady economic growth, that is, an estimation of an annual increase of 6 percent in electric power consumption. Obviously, this shows that China has full determination and confidence in the development and prosperity of Hong Kong during the transitional period and after the year 1997. This responsible person also pointed out that since this is a large project, it will certainly benefit Hong Kong's economy even during the construction period, because it may bring about a great deal of business activity. Now, on the busy Daya Bay worksite, construction teams from Hong Kong are already engaged in constructing the first-phase project. Some Hong Kong contractors have joined hands with China's engineering teams in bidding for certain civil engineering projects.

Moreover, Guangdong and Hong Kong are preparing to build an energy storage power station in Guangdong so as to increase the economic returns of the nuclear power station and change Hong Kong's current unitary thermal power structure into a more reasonable one of simultaneous development of hydropower, thermal-power, and nuclear-power. Now both sides have already completed feasibility studies for this plan.

New Development of Friendly Relations Between China and Britain, France

The Daya Bay nuclear power station, China's largest cooperative project with West European countries so far in terms of investment, reflects a new development of Sino-British and Sino-French friendly relations.

France was the first to propose nuclear cooperation with China. As early as in 1975, former President D'Estaing said that France could provide China with nuclear reactors. In the same year, both governments signed an agreement on nuclear cooperation. Since then, this matter has been given serious attention by the top leaders of both countries. Chairman Deng Xiaoping, Premier Zhao Ziyang, and French leaders, including former President D'Estaing, former Prime Minister Barre, and President Mitterrand, have all taken part in relevant talks. When Fabius, former French Prime Minister, was minister of industry, he signed a memorandum with the Chinese Government on providing China with nuclear power equipment. After that, groups of Chinese nuclear power engineers and technicians were trained in France. Many of them are now working at the Daya Bay worksite. During his visit to France in 1979, Chairman Deng Xiaoping said that, conditions being equal, China would give first consideration to the purchase of French equipment.

Similarly, both Chinese and British leaders have also given serious consideration to the question of purchasing turbogenerators from England, when Premier Zhao Ziyang met with Mrs Thatcher last September, both sides expressed their common desire to facilitate this business.

As a result of the friendly cooperation of the three governments, China, France, and Britain finally reached unanimity in their talks over equipment prices last year, which had had some troubles in the past. In the first round of talks, there was a great disparity between the prices quoted by the British and French manufacturers and what was expected by the buyer. The opening bid made by the Guangdong Nuclear Power Joint Venture Company was based on a thorough investigation of the international market of nuclear power equipment. They knew very well about the prices of more than 100 sets of nuclear power equipment throughout the world, especially the actual selling prices of some of those made in France. Moreover, in expending large sums of foreign exchange, questions such as the ability to repay debts and the time limit for loans had also been taken into consideration. It was also necessary to calculate the production cost so that the users would not be overburdened with heavy charges. For this reason, the Chinese side had to act with caution in the talks, striving for more reasonable prices. On the other hand, since this was to be the first time that the British GEC had contracted to build this type of 900,000 kilowatt-class generator (the conventional island), and since the conventional island and the nuclear island would be separately made by Britain and France, the British and French manufacturers had overestimated and raised the coefficient of risk, for fear that there might be some unforeseen difficulties. After the first round of talks, the British manufacturer reduced the quoted price by 4 percent, while the French manufacturer offered 10 percent less. But the latter required that half of this reduction should be subsidized by the government, otherwise it could not make the offer.

Encouraged by the French Government, during the second round of talks, Framatome of France reduced its price several times. In consideration of the possible development of China's nuclear industry, Guangdong Nuclear Power Joint Venture Company cut down on some service items which could be done by China itself so that differences between the two sides might be diminished. After the Chinese side put forth a package proposal on the prices of technological equipment and loans, the French manufacturer once again reduced its price. However, it was still unacceptable by the buyer. Thus, during his visit to Eastern Europe, Vice Premier Li Peng made a detour to Paris and had a friendly exchange of views with Mrs Cresson, former French industrial minister. Then the two governments reached an understanding on sharing this price difference.

During the second round of talks, due to the difference between both sides on the question of prices, on one occasion the British GEC quit the talks. This soon aroused serious attention from the government as well as the public. Some 33 Conservative Party Members of Parliament jointly put forward a motion, demanding that the government facilitate this "most valuable contract in British modern history." Then through the common efforts of both sides, an agreement on the purchase of the turbogenerator was finally signed.

What should be particularly pointed out is that in order to promote this cooperation, the British and French Governments have also made great efforts to make the terms of loans favorable to China. It is not at all exaggeration if we say that the Daya Bay nuclear power station is an outcome of Sino-British and Sino-French friendly relations. It will certainly promote the further development of these relations.

AGRICULTURAL PRODUCTION ON 'RIGHT TRACK'

OW130924 Beijing XINHUA in English 0641 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- Officials who have just completed a month-long investigation in 26 provinces and autonomous regions, say that Chinese agricultural production is on the right track according to the policies laid down by the central government.

Led by minister He Kang, about 300 officials of the Ministry of Agriculture, Animal Husbandry and Fisheries have conducted rural surveys in more than 300 counties since March. Measures have been taken to reduce the prices of chemical fertilizer and supply of electricity, and to stabilize cotton production following the investigation.

The State Council has stipulated that investment in agriculture must increase steadily to meet the needs of the developing economy, especially by introducing modern technology to the farms. During their visits to 1,000 households, the officials found local peasants were enthusiastic about signing more contracts for grain production. The total grain-producing areas of the country have been expanded by 1.4 million hectares and investment in fertilizer and building irrigation systems has also been increased.

Summer grain fields have been enlarged by 600,000 hectares compared with last year. One official estimated that the 1986 grain output will surpass that of last year if there are no serious natural disasters.

The provinces of Guizhou, Hubei, Guangdong, Sichuan, Guangxi and Shaanxi have invested 450 million yuan in the capital construction on farmland. Jiangsu, Anhui, Hubei, Hebei and Henan plan to raise capital investment in agriculture to the highest level yet in the next three to five years. Economic crops, except cotton, have shown good signs of growth, especially fruits.

Services have been improved in irrigation, fine-seed multiplication, and supply of farm tools and machinery, an official said. According to a survey of 14 provinces and municipalities, the total industrial output value of rural enterprises was 13 percent up compared to the same period of 1985.

Meat, poultry, eggs and milk are being supplied to markets in sufficient quantities thanks to the development of animal husbandry and specialized production. However, officials called for more attention to be paid to existing problems in the price system of chemical fertilizer, sales of farm products and spread of agrotechnology.

ARTICLE COMMENTS ON 1ST QUARTER PRICE SITUATION

HK120812 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 21-22

[Article by Chang Qing: "Comments on China's Price Situation in the 1st Quarter of This Year"]

[Excerpts] China's State Council has made the policy decision of "consolidation, digestion, supplementation, and perfection" on price reform this year. This decision was very effective in the 1st quarter of this year: The overall market situation was stable and prices were on the whole stable while tending to drop.

Market Prices of Capital Goods Weakened

What is most spectacular is that the market prices of capital goods weakened, slightly lower than the level of the 4th quarter of last year. On the whole, they dropped by 1 to 2 percent. In March, the price of wire rods dropped by 3 percent compared with that in December last year. The price of hot-rolled steel sheets dropped by 4 percent. The price of soda ash remained basically the same and those of coal, automobiles, and China fir logs dropped by double-digit percent. Only those of cement, caustic soda, aluminum, and pig iron increased.

Market Prices of Consumer Goods Remained Stable

In January and February, the retail sale volume of social commodities reached 72.59 billion yuan, 7.8 percent over that in the same period last year, of which the retail sale volume of consumer goods increased by 8.6 percent. Consumers were confident in the stability of prices and did not rush to purchase daily necessities because they could buy what they wanted at any time. The bank savings of residents increased by a big margin. In the 1st quarter of the year, the total volume of bank savings throughout the country reached 178.8 billion yuan; bank savings in urban and rural areas increased by 16.6 billion yuan. Last year, we issued more currency without withdrawing any, but this year we withdrew currency in circulation without issuing any. It is expected that the index of retail prices would be lower than the average level year. If the factor that restrictions on the prices of nonstaple food were not removed in the 1st quarter of last year is also taken into consideration, the price index would be relatively low.

The Prices of Nonstaple Food Tended To Drop

According to statistics made by price information newspapers and magazines in various localities, the prices of nonstaple food tended to drop. In February, the price of pork dropped by 1 percent compared with that in the same period last year; in January, the price of hens' eggs dropped by 1.5 percent compared with that in the same period last year; and in February, the prices of vegetables increased by 28 percent, which was less than the average of 34.5 percent for the whole year of 1985. In cities in which restrictions on prices were first removed last year such as Guangzhou and Wuhan, the index of prices of fresh vegetables dropped by double-digit percent. Prices during the Spring Festival in Hebei Province were much lower than those during the Spring Festival last year, and there the price of fresh eggs dropped 3 jiao per catty after the Spring Festival. In Harbin and Shanghai, the supply of fresh eggs exceeded demand and their price dropped.

Tendency Forecast

Viewed from the trends of development, no major changes will take place in the 2d and 3d quarters and market prices will not rise or drop abruptly.

Existing Problems and How To Solve Them

The general price situation in the 1st quarter of this year was quite satisfactory. However, some problems remained unsolved, and we should provide for rainy days.

First, the total demand may increase and the market prices of capital goods may rise again. The prices of capital goods in the 1st quarter remained at a high level, but the prices of a few items rose in March. This is an important signal demanding that we should tighten various measures instead of relaxing them. On the basis of strictly controlling the total demand, we must exercise structural management and treat specific cases on their merits. We must resolutely stop excessive demand for investment.

Second, remnants of unstable factors still remain in the consumer goods market. The increase in bank savings indicates that the people have delayed their consumption, but does not mean they have stopped consumption. At present, changes in consumption in China are not quite normal. There is a tendency of blindly comparing our consumption with that in developed countries, thus shortening the life cycle of products. The shift from 1-door refrigerators to 2-door refrigerators, for example, took 10 years to complete in foreign countries, but in China, it took only 1 year. Much of the consumption is borne by the state and personal income has increased too rapidly, thus turning consumption into a concentrated impact-type consumption, constituting a latent threat to market prices. Therefore, we must constantly widen the range of consumer goods and guide people to consume in a reasonable manner. To be specific: 1) Make use of price levers. Set higher prices for better goods. Encourage production of high-quality products. Restrict the demand for high-grade durable consumer goods. 2) Publicize reasonable consumption and eliminate the influence of propaganda on high consumption in the past period. 3) Provide objective information about ways, contents, and history of consumption in foreign countries.

Third, the supply structure needs further improvement. At present, products that are easily marketable are still not quite sufficient, but their resources are being used by some small enterprises that produce many products of inferior quality sold at high prices.

Distribution of resources between regions and problems related to scale and economic results remain unsolved. There, we must widen the circulation channels, strengthening lateral economic association, and carry out price reform.

Fourth, we must further improve price management. The cycle of abrupt rise and fall of agricultural and sideline product has already attracted the attention of the academic circles in China and relevant government departments have also worked out ways to solve problems in daily life and in production caused by abrupt fluctuations. In this respect, prices of a guiding nature is a promising form of price management.

OFFICIAL EXPLAINS DROP IN DEPARTMENT STORE SALES

OW091403 Beijing XINHUA in English 1337 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- Total first quarter sales of China's 12 largest department stores dropped 21.57 percent this year to 718.38 million yuan, but a high government official today called the decline "natural and reasonable."

Qi Zhuomao, operations chief at the Ministry of Commerce, told XINHUA today sales should soon pick up in the state-owned stores as summer goods become available. He attributed the first quarter drop in sales to "stable consumer psychology" after last year's frenetic buying and to current state restrictions on work unit purchases.

"Last year's buying explosion was ignited by fears of future price increases," he said. "Now most consumers believe prices will remain stable."

This "stable consumer psychology" has led to increased bank deposits, said Qi, an increase confirmed by the People's Bank of China.

The bank has reported that the country's savings deposits totaled 178.9 billion yuan, up 10.3 percent from the end of 1985.

Economic analysts here say the sales drop could pressure manufacturers to produce more marketable goods and state-owned department stores to improve their management to increase sales.

MARKET NEWS, a Beijing weekly specializing in information about commercial enterprises, reported earlier this month that many Chinese want to upgrade their family electronic appliances and other household goods, but balk at doing so when confronted with goods "with an old face," a Chinese expression referring to out-of-date styles and features.

Another Beijing Newspaper, THE ECONOMIC DAILY, recently accused some state-owned department stores of catering to purchasers of expensive, high-profit items such as color television sets and refrigerators at the expense of those wanting such small items as buttons and shoelaces.

URBAN RESIDENTS' SAVINGS AT ALL-TIME HIGH

HK140542 Beijing ZHONGGUO XINWEN SHE in Chinese 0803 GMT 10 May 86

[Text] Beijing, 10 May (ZHONGGUO XINWEN SHE) -- The Industrial and Commercial Bank of China recently announced that savings deposited by urban residents in this bank had exceeded the major mark of 100 billion yuan and created an all-time record.

By the end of April 1986, the total amount of saving deposited by urban residents in the Industrial and Commercial Bank was 101,288 billion yuan, or 11.73 billion yuan more than the figure at the end of 1985.

The saving deposited by urban residents in the Industrial and Commercial Bank account for 80 percent of the total savings in the whole country. The main reason for the rapid increase in savings is that the wage reforms in state institutions late last year led to a 24 percent increase in people's wage incomes. Meanwhile, the wage readjustments in enterprises also increased worker's incomes, and more and more individual traders and peasants also deposited their savings in cities. In addition, in the first 4 months of this year, the import of some high-class durable consumer goods decreased, and this left more money in the consumers hands.

In order to attract more savings deposits, Industrial and Commercial Bank branches in many provinces and municipalities have adopted the method of giving awards by drawing lots to lucky holders of savings accounts and have offered the services of optional accounts which may be taken as both time deposits and current deposits. These measures have aroused people's enthusiasm for depositing their savings in the bank.

STATE COUNCIL TO PROMULGATE 162 NEW LAWS IN 1986

OW151555 Beijing XINHUA in English 1548 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- The State Council will examine, promulgate and draft 162 new laws and regulations this year, more than the figure for the past two years, a State Council official said here today.

At a meeting of ministerial officials in charge of legislation work, Wang Shirong, deputy director of the Legislation Bureau of the State Council, said that of the 162 laws and regulations, 65 will be examined and promulgated this year, 53 will be examined and issued if conditions permit and another 44 will be drafted.

He said the 65 laws and regulations include the land law, bankruptcy law, law governing Sino-foreign co-production enterprises, customs law as well as regulations on self-employed traders, individual income tax and the land utilization tax, in addition to the fishery law, law on mineral resources, the law governing foreign-owned enterprises in China and law on compulsory education which were promulgated earlier this year.

The other 53 laws and regulations include the law on state-owned industrial enterprises, law on post and communications, law on air pollution control and regulations concerning sino-foreign cooperative exploration of China's land oil resources and vocational-technical education.

Wang's bureau was set up last month. It is responsible for and coordinates the legislative work of all the ministries and commissions.

LABOR, WAGE, JOB ASSIGNMENT REFORM TO CONTINUE

OW071027 Beijing XINHUA in English 1002 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- China will continue to reform its labor, wage and job assignment systems over the next five years, participants at a national conference agreed here today.

Top priorities for reform, they said, would be the wage system in state and collective enterprises, the job assignment and transfer system, and the streamlining of government institutions.

A new wage system linking pay to job responsibilities -- rather than seniority -- has already been established within the central government, a senior official from the Ministry of Labor and Personnel told the more than 500 personnel officials attending the conference.

Ten million workers in state enterprises, or 15 percent of the total, are already being paid according to a responsibility system that ties income to output, he said.

As a result, "earnings in government and state enterprises have gone way up," the official said.

Since 1982, according to the official, the government has been hiring people for fixed terms and the tradition of lifetime tenure for officials has been abolished. Some enterprises have been experimenting with the fixed-term system as well, he said.

Several conference participants called for an overall management system to make sure officials do their jobs in productive ways.

JIA SHI INTERVIEWED ON TRADE PROMOTION COUNCIL

HK140427 Beijing RENMIN RIBAO in Chinese 5 May 86 p 2

[Report: "Jia Shi, chairman of China Council for Promotion of International Trade, Interviewed on Domestic Economic Service of the Council"]

[Text] Before the end of the first congress of the members of China Council for Promotion of International Trade (hereinafter simply called Trade Promotion Council of China), Jia Shi, chairman of the council answered questions of our reporters.

Question: What kind of organization is the Trade Promotion Council of China?

Answer: The Trade Promotion Council of China is a national nongovernmental organization which promotes and pushes forward China's economic and trade relations with other countries. It was founded in May, 1952, and organized by the well-known personages of the trade and economic circles. As we all know, during the first few years after the founding of the People's Republic of China, only few foreign countries had diplomatic relations with our country and imperialism imposed an economic blockade and trade embargo against our country. Under such circumstances, our country could only develop trade relations with the western world through nongovernmental channels. The Trade Promotion Council of China played an important role in this regard. Since 1970's along with the development of the international situation and our country's implementation of the policy of opening up to the world, the Trade Promotion Council of China has begun to shift the focus of its work to external trade and external economic and technological cooperation which stresses earning foreign exchange through export. The council has continued to further develop business relations with the relevant organizations, entrepreneurial circles and financial circles through nongovernmental channels ever since.

In order to adapt itself to the new situation of opening up and invigorating the domestic economy and better develop its role as an external chamber of commerce, the Trade Promotion Council of China decided to implement the membership system after consulting its branches in various areas of the country. The membership system symbolizes that our council's work has entered a new historical period. While facing the whole world, the Trade Promotion Council of China will also face the broad masses of domestic economic entities, coordinate the external economic activities of all the members, act as go-between and pave ways for all the members so as to enable our country's external economic and trade relations to develop in greater depth and width.

Question: What are the main tasks of The Trade Promotion Council of China in the future and how will the council carry out these tasks?

Answer: Our main task at present and for a period in the future is to facilitate the development of business, economic and technological relations between China and all the countries in the world through various forms and promote mutual understanding and friendship between the Chinese people and the people of all the countries in the world and between the economic and trade circles of China and the economic and trade circles of all the countries in the world.

At present, there is such a view which seems to play down the importance of nongovernmental exchanges. This is a misunderstanding. The nongovernmental exchanges between different countries in the world were necessary in the past, are necessary at present and will continue to be necessary in the future.

Question: How will the Trade Promotion Council of China face the domestic economic entities and how will it serve the broad masses of members of the council?

Answer: To face the domestic economic entities is a fundamental reform in the work of the Trade Promotion Council of China. As far as I know, in implementing the policy of opening up and developing external economic and trade relations, many departments, localities and units, especially factories, mines and enterprises, urgently need to know about the situation of the international market, trade opportunities, products and technology, and need to open up channels and find trade partners, and need to know about the economic laws and regulations and business measures of foreign countries. Since our council carries out many exchanges with foreign countries and has numerous channels, our council can provide the broad masses of members of the council with all forms of consultancy services.

Question: What are the new business fields of the Trade Promotion Council of China?

Answer: To hold exhibitions and trade fairs and expand external trade are the common practices in the world. Between 1950's and 1960's, we paid attention to holding exhibitions abroad. However, this is not enough. What is more important is to sell our products on the international market, open up international markets, facilitate export and earn more foreign exchange. In order to do this, over the past few years, we have carried out a series of reforms on our way of holding exhibitions, the structure of exhibits, and the composition of as well as expenditure of exhibition delegations to be sent abroad. The Trade Promotion Council of China has adopted the methods of holding exhibitions by itself, sponsoring exhibitions, jointly holding exhibitions with the units concerned or organizing the relevant units to hold exhibitions by themselves so as to enable more foreign trade companies, industrial trade companies and local trade companies to have a chance to hold exhibitions abroad and expand their export trade.

We have also carried out a series of reforms regarding the exhibitions held by foreign countries in China so as to closely link foreign exhibitions with our country's import trade.

Last year, the Trade Promotion Council of China started to act as an agent dealing in foreign-related patent business. Our council's work concerning legal affairs has also experienced some development. Apart from continuing to act as a trade-mark agent and be responsible for the external economic and trade arbitration, marine arbitration, testimony and attestation, average adjustment and some other business, the council also provides lawyers for both the foreign and domestic interested parties.

As far as consultancy service is concerned, last year, the council received 36 technology-exchange delegations, organized 179 domestic units to attend symposiums on technology, sent 10 tons of technological materials to the relevant units in the whole country and transmit over 500 items of information concerning technological products.

BEIJING SHELVES 400 CITY CONSTRUCTION PROJECTS

OW110315 Beijing Domestic Service in Mandarin 1100 GMT 9 May 86

[Excerpts] Our station reporter learned from the meeting of the Beijing Planning and Construction Committee today that in order to strictly control the scale of capital construction projects in the capital, the Beijing Planning and Construction Committee has decided to shelve some construction projects this year. The State Planning Commission, the Beijing Municipal Planning Commission, the Beijing Municipal Construction Committee, and other departments in charge of urban construction are strictly screening all the construction projects.

The Beijing Planning and Construction Committee has decided to shelve more than 400 construction projects this year with the exception of key projects. As for the building of offices for government organs, those who attended the meeting endorsed the plan put forward by the Beijing Municipal Construction Committee to build large office buildings for rental or sale. The meeting also decided to attach great importance to building living quarters.

Chen Xitong, director of the Beijing Planning and Construction Committee, hoped that party, government, and Army organizations and all the people in the capital would take the whole situation into account and make even greater contributions to developing the capital's modernization program.

'HUGE INVESTMENT' IN PORT FACILITIES PLANNED

HK090505 Beijing CHINA DAILY in English 9 May 86 p 1

[By staff reporter]

[Text] Shanghai -- China is planning a huge investment to upgrade and build new port facilities and install modern cargo handling equipment, Li Jisan, secretary general of the China Ports and Harbours Association, told CHINA DAILY.

During the Seventh Five-Year Plan (1986-90), 120 deep water berths and 80 medium- and small-size berths will be constructed in China, raising the country's present cargo handling capacity to 550 million tons a year, an increase of 67 percent over 1985, Li said.

The number of off-shore berths will increase to 1,200 with 300-320 deep-water berths and the handling capacity for cargos such as coal, crude oil, ore, grain and timber will be greatly increased to meet demand, Li said.

In some suitable off-shore harbours, capacity could be increased by adding extra anchorage and berthing facilities.

Prospects for China's ports look good, but problems still remain. To help facilitate the modernization of the country's exhibition will be held in Shanghai in March next year. Shanghai is one of the 10 largest harbours in the world and the largest in China.

During the exhibition, academic exchanges between international harbours will be organized on new technology and new equipment, Li said.

By the end of last year, cargo transported by the main harbours reached 350 million tons with an annual 10.1 percent increase, while 54 deep-water berths of the 10,000-ton-class or more have been constructed, 46 percent more than the previous five-year plan.

In another development, construction work has begun on new anchorage facilities at Nanjiang district, a key project for Tianjin port during the Seventh Five-Year Plan. The project, which involves a total investment of 49.7 million yuan (\$16 million), will greatly ease the transport jam in the port.

Seven berths of 10,000-ton-grade or more will be built on the district's waterfront, which will increase the cargo handling capacity of Tianjin port by 1.1 million tons when in operation, according to TIANJIN DAILY. At present, the port has 24 berths for 10,000-ton ships. Tianjin is an international port with trade links to 150 countries.

AGRICULTURAL BANKS CARRY OUT COOPERATION PROGRAMS

OW111216 Beijing XINHUA Domestic Service in Chinese 1518 GMT 9 May 86

[By reporter Yuan Guanghou]

[Text] Chongqing, 9 May (XINHUA) -- During a meeting here today, agricultural banks of Guangzhou, Wuhan, Shenyang, Chongqing and Changzhou -- five cities designated to experiment with restructuring the banking system -- decided to set up lateral financial cooperation among themselves.

According to officials of these five cities' agricultural banks, their cooperation is necessitated by the need to expedite the restructuring of the banking system and support lateral economic ties. They have agreed on the following;

1. Providing each other the need circulating funds: Beginning in June 1986, they will inform each other every 10 days of the availability or needs of capital. The relevant parties will consult with each other about borrowing or lending, as well as the amounts of loans and their terms, interest rates, and other relevant matters. Each quarter, these banks will inform each other on their credit situation.
2. Exchanging information: On a regular basis the banks will exchange journals about the progress of experimenting with banking reform and other information.
3. Operating as credit agents: The service, which is provided either free of charge or for a fee, shall be decided by the relevant parties. The commissioned bank shall be responsible for assessing the feasibility of providing the various credit services. It shall also be responsible for the supervision and management of how the loans have been used after they are extended. Should there be any problem after the extension, it should immediately notify its principal.

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4. Remitting money by telegram: This service will be provided among operating branches under the agricultural banks of the five cities.

5. Endorsing credits: Services of endorsing credits will be provided among agricultural banks of the five cities.

The agricultural banks have also decided in their agreement that more cooperative projects will be introduced following the development of the experiment in restructuring the banking system and the development of the commodity economy.

BO YIBO VISITS TIBETAN STUDENTS IN HUNAN SCHOOL

HK151402 Lhasa Xizang Regional Service in Mandarin 1130 GMT 14 May 86

[Excerpts] ON 13 April, despite the rain, leading comrades of the central authorities, including Bo Yibo, vice chairman of the Central Advisory Commission, accompanied by Mao Zhiyong, secretary of the Hunan Provincial CPC Committee; and (Chu Bo), secretary of the Yueyang City CPC Committee, went to visit 50 Tibetan students and 2 Tibetan teachers on a Xizang course in Yueyang City First Middle School. The leading comrades of the central authorities, Hunan Province, and Yueyang City first inspected students' classrooms, bedrooms, and cultural and recreation rooms.

Children presented white hats to leaders and performed literature and art programs with nationality characteristics.

Prior to departure, the children had a group photo taken with the leading comrades of the central authorities, Hunan Province, and Yueyang City to mark the occasion.

LI PENG URGES SCHOOL GRADUATES TO BECOME TEACHERS

OW111114 Beijing XINHUA Domestic Service in Chinese 1448 GMT 10 May 86

[Text] Beijing, 10 May (XINHUA) -- A meeting to mobilize the 1986 middle school graduates to apply for entrance into teachers schools and universities was held this afternoon at the Great Hall of the People. Li Peng, vice premier of the State Council and minister in charge of the State Educational Commission, attended and addressed the meeting. He expressed the hope that graduates of senior and junior middle schools of Beijing and the whole country, in particular, outstanding ones, step forward and accept the people's selection when the nation needs teachers most.

Li Peng stressed: In order that the four-modernization drive progresses smoothly to build our country into a modern socialist power with a high degree of civilization and democracy, we need hundreds of millions of specialists in all fields to generally enhance our nation's scientific and cultural quality. To attain this objective, we have to develop education, especially to better our elementary education. Comrade Deng Xiaoping has said: Ours is a big country of 1 billion people. If education is well developed in our country, our tremendous superiority in the resource of talented people can be matched by no other country. With this superiority plus the advanced socialist system, we will be assured of achieving our goal.

Li Peng said: Many things have to be done to perfect our elementary education. The most important and fundamental one is to build up a contingent of teachers of a sufficient number and fine ideological and professional quality. Without such a contingent, to enforce the 9-year compulsory education system would be an empty talk and to enhance the nation's quality and produce more and fine qualified personnel, an impossibility.

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Li Peng pointed out: At present we have such problems about our middle and primary school teachers as numerical insufficiency, unfit specification, and, partly, inferior professional standard. To solve these problems, we have to train incumbent teachers for their betterment on the one hand and run teachers schools well at all levels to cultivate large numbers of qualified new teachers to continuously supply new blood to the contingent of teachers on the other hand.

He said: To run teachers schools at all levels successfully and cultivate qualified teachers of the people, the people's governments at all levels must show tremendous concern and take effective measures to improve the conditions for running teachers schools as soon as possible. In addition, we have to enlist fine graduates of junior and senior middle schools into teachers schools to heighten the quality of freshmen. This is a key measure to improve the quality of normal education and cultivate qualified new teachers.

Li Peng said: We need large numbers of scientists, engineers, medical doctors, men of letters, artists, lawyers, and political workers for our four-modernization drive. Of course, it is a high ideal to become any of them and their work is an enviable occupation, indeed. However, without middle and primary school teachers assiduous labor of top quality, it is impossible to have men of best quality in all specializations. We now can see how important a contingent of teachers of a sufficient number and high quality is to the cultivation of qualified personnel of all categories.

Li Peng finally said: All parents hope that their children get good education and be taught by good teachers. So all parents should support their children in applying for admission to teachers schools. This not only conforms to the interests of the state and society but also of all members of the society.

Xu Weicheng, deputy secretary of the Beijing Municipal CPC Committee, said at the meeting: By the year 2000, Beijing will lack 39,000 each of middle and primary school teachers. Without a large number of qualified teachers, Beijing can hardly play its due role as the country's political and cultural center. He expressed the hope that middle school graduates consider it their duty to devote themselves to the cause of the people's education and enthusiastically apply for admission to teachers schools.

Wang Biling, teacher, special grade, of Beijing No 11 Middle School, Ruan Guojie, young teacher of Beijing Teachers University's Second Affiliated Middle School, and Liu Hong, 1986 graduate of the Senior Middle School of Beijing University's affiliated Middle School, also spoke at the meeting.

He Dongchang, responsible comrades of departments concerned, and some 8,000 of Beijing's 1986 middle school graduates attended the meeting.

ZHU HOUZE, RUI XINGWEN AT SHANGHAI BALLET

OW141118 Shanghai City Service in Mandarin 0000 GMT 14 May 86

[Text] Gao Zhanxiang, vice minister of culture, watched the mythological ballet "Ta Yu" in Shanghai last evening. After the performance, he said: It is very sensational to stage the story of Ta Yu [Founder of the Xia Dynasty]. The story and the dance were both beautiful. I hope you will continue to revise and improve it according to popular opinion so that it will become even better.

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Zhu Houze, head of the Propaganda Department of the CPC Central Committee, and Rui Xingwen, secretary of the Shanghai municipal party committee, also watched the show. After the show, they went up to the stage to greet the performers on their success.

XI ZHONGXUN AT BEIJING CALLIGRAPHY EXHIBITION

OW110830 Beijing XINHUA Domestic Service in Chinese 1120 GMT 10 May 86

[By reporter He Ping]

[Excerpts] Beijing, 10 May (XINHUA) -- An exhibition of calligraphy by later Mr Yu Youren, a senior Kuomintang statesman and famous calligrapher, opened at the Museum of Chinese Revolution in Beijing today. Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, cut ribbon at the open ceremony.

Some 500 persons visited the exhibition today. They included Liu Lantao, Cheng Zihua, Qian Changzhao, Qu Wu and Ma Wenrui, vice chairmen of the CPPCC National Committee; and some calligraphers in Beijing.

ZHANG GUANGNIAN MEETS JIANGXI LEADERS

OW101209 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 8 May 86

[Text] This morning, Zhang Guangnian, member of the Central Advisory Commission, vice chairman of the Chinese Writers' Association, and famous poet and theoretician, gave a report on literature and art at the Hall of the Provincial Federation of Literary and Art Circles, attended by 600 literary and art workers and college students of the province and Nanchang City.

In his 3-hour report, Zhang Guangnian analyzed and introduced the current state of literary and art creation in China, and expounded the ways to correctly implement the principle of letting a hundred flowers bloom in literary and art creation.

Wan Shaofen, secretary of the provincial CPC committee, and Bai Dongcai, member of the Central Advisory Commission, have met with Zhang Guangnian.

LEADERS MEET BADMINTON CUP WINNERS IN BEIJING

OW100610 Beijing XINHUA in English 0559 GMT 10 May 86

[Text] Beijing, May 10 (XINHUA) -- Chinese shuttlers were warmly greeted here this morning for their triumphs at the recently-concluded Thomas and Uber Cup tournaments in Jakarta.

Chinese leaders Wan Li, Xi Zhongxun and Hu Qili shook hands with the players and coaches at the meeting and took a look at the Thomas and Uber Cups, symbolic of world supremacy in team badminton, with keen interests. At the meeting, the Chinese players were called on to sum up experience for still greater success at future tournaments.

Among those present on the occasion was Li Menghua, minister of the Chinese State Physical Culture and Sports Commission. The Chinese shuttlers returned home on May 8.

SHANDONG: SIX ZONES DESIGNATED FOR ECONOMIC DEVELOPMENT

HK140821 Beijing ZHONGGUO XINWEN SHE in Chinese 0244 GMT 13 May 86

[Report by Yuan Chonghe: "Shandong Designates Six Major Economic Zones"]

[Text] Jinan, 13 May (ZHONGGUO XINWEN SHE) -- Shandong, China's second richest province, has made strategic arrangements for its economic development. In line with the favorable conditions in various localities, it has designated six major economic zones in the hope of shifting its advanced technology from the Yantai-Jinan and Tianjin-Pukou railways to both sides of each the railways.

The Jiaodong peninsula economic zone includes the three cities of Qingdao, Yantai, and Weifang, which will play the radiating role of key cities in building Shandong Province into the most advanced, outward-oriented economic zone.

The central Shandong economic zone, mainly dealing in the petrochemical industry, includes Zibo, Dongying, and Huimin. The Shengli oil field, China's second largest, is situated in the central Shandong economic zone.

The southwestern Shandong economic zone, rich in coal resources, is famous for its coal production in Yanzhou, Jining, Zaozhuang, and Tengxian. This zone will be built into an energy base focusing on coal and electric power production.

The Jinan-Taian economic zone will concentrate on the development of tourism, science, technology, education, and culture. It will become a comprehensive and multifunctional economic zone.

The southern Shandong economic zone, which is a little backward, will engage mainly in mineral production, forestry, and the building material industry. The northeastern Shandong economic zone will develop industry, forestry, animal husbandry, and the processing of agricultural and sideline products.

Shandong's gross industrial and agricultural output value amounted to 89.4 billion yuan in 1985, ranking second in the country. However, economic development in various localities in Shandong is unbalanced. To bring into full play the superior conditions of various localities, Shandong Province, basing itself on macroeconomic arrangements, has designated six major economic zones, aiming to strengthen dialogue between its "eastern, western, southern, and northern" regions and to take a larger step forward in economic construction.

BRIEFS

ANHUI RESOURCES DEVELOPMENT -- Hefei, 6 May (XINHUA) -- Through comprehensive efforts to develop the resources of Anhui Province, the Shanghai Economic Zone has turned a unitary, local advantage into an overall advantage for the entire economic zone. By the end of April this year, Anhui Province had signed agreements for more than 100 joint development projects with Shanghai, Jiangsu, and Zhejiang, thereby raising some 300 million yuan of capital. When completed, these projects will increase the Shanghai Economic zone's output of coal, pig iron, cement, and iron sulphide by 1.8 million, 400,000, 2.5 million, and 600,000 metric tons respectively. They will play an important role in easing the long-term shortages of energy, and raw and semifinished materials in areas south of the Chang Jiang. [Summary] [Beijing XINHUA Domestic Service in Chinese 0103 GMT 6 May 86 OW]

GUANGDONG PARTY RECTIFICATION FORUM HELD

HK150832 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 14 May 86

[Text] Yesterday afternoon, at the provincial forum on party rectification work at the district level in the rural areas held by the provincial CPC Committee, Guo Rongchang, deputy secretary of the provincial CPC Committee and deputy head of the provincial CPC Committee's group for guiding party rectification, emphasized: It is necessary to further and penetratingly carry out party rectification at the district level in the rural areas. This forum was held in Guangzhou from 9 to 13 May. The forum exchange and summed up the previous experiences in party rectification and made arrangements for party rectification work at the next step. At yesterday afternoon's closing ceremony, while Comrade Guo Rongchang was talking about how to further and penetratingly carry out party rectification work at the district level in the rural areas, he pointed out:

1. The key lies in the fact that the city, prefectural, and county CPC committees, particularly the county CPC committees, must continuously strengthen guidance to party rectification at the district level, overcome their slack and complacent mood, find out the weak links, and continue to grasp this work to the end.
2. It is essential to do a good job in comparison and examination.
3. It is imperative to do well in grasping party rectification work in the units under the dual leadership of a county and a district and to prevent doing things perfunctorily and superficially.
4. It is necessary to simultaneously carry out rectification and correction and to develop party rectification in depth in the course of rectification and correction.
5. We must really do well in building the leadership groups.

GUANGXI'S CHEN HUIGUANG OUTLINES JOURNALISTS' DUTY

HK150744 Nanning Guangxi Regional Service in Mandarin 1000 GMT 14 May 86

[Excerpts] At the second congress of the Guangxi Journalists Association and the Guangxi Press Association, regional CPC Committee Secretary Chen Huiguang said that journalists must make contributions in building the two civilizations. Newspapers, radio, and television must give much publicity to the excellent situation in Guangxi. They must do well in reporting the work of helping the poor, and must inspire the poor first in helping them. Comrade Chen Huiguang said: To fulfill Guangxi's Seventh 5-Year Plan, we must rely on the efforts of journalists, properly carry out propaganda work, and conduct education so as to enhance our vigor to unite the fight for the fulfillment of the Seventh 5-Year Plan. (Zhong Jiazuo), Standing Committee member and secretary general of the regional CPC Committee, also delivered a speech at the congress. At the congress, 56 members were elected directors of the boards of the Guangxi Journalists Association and the Guangxi press Association. After discussions, the directors elected (Zhong Jiming) honorary president of the two associations, and (Dong Puihua) president of the two associations. The congress was held from 11 to 13 May in Nanning. (Zhang Yang) and (Li Shoufa), deputy directors of the Propaganda Department of the regional CPC Committee, attended and spoke.

HUBEI ELECTS NEW CPPCC OFFICIALS 14 MAY

OW142120 Beijing XINHUA Domestic Service in Chinese 1340 GMT 14 May 86

[Text] Wuhan, 14 May (XINHUA) -- On the basis of the resignations of Shi Zirong, Xue Wei, Zhou Jifang, Xu Jinbiao, Tao Yang and Yang Rui because of their advanced age, the Fourth Meeting of the Fifth Hubei Provincial CPPCC Committee which closed today agreed that they be relieved of their posts as vice chairmen of the provincial CPPCC Committee. At the same time, the CPPCC elected, after full consultations, Mu Changsheng [4476 1603 3932], Hu Hengshan [5170 1854 1472], Dong Yusen [5516 3768 2773], Mao Gensu [3029 2577 3936], Tang Zhensheng [0781 2182 3932], and Han Wenqing [7281 2429 0615] as vice chairmen of the provincial CPPCC Committee. The meeting also elected 15 additional Standing Committee members of the provincial CPPCC Committee.

HUNAN FIGHTS FORCED SALES OF UNMARKETABLE GOODS

HK070909 Changsha Hunan Provincial Service in Mandarin 2200 GMT 5 May 86

[Text] Some state-run wholesale and retail commercial units in the province have recently engaged in the malpractice of selling goods together with unmarketable goods to customers.

The provincial commerce department issued a circular on 4 May to all commercial departments of all prefectures, cities, and counties, calling on them to resolutely curb the malpractice of selling goods together with unmarketable goods to customers. The circular reads: The problem of selling goods together with unmarketable goods has appeared time and again in wholesale and retail commercial units and has become increasingly serious recently. This malpractice infringes upon consumers' interests, gives protection to backward products, results in waste, and defames state-run commerce.

The circular demands that all wholesale and retail enterprises earnestly implement the regulations recently issued by the State Council on quality responsibility of industrial products and previous circulars issued by the Ministry of Commerce on prohibiting the malpractice of selling goods together with inferior and unmarketable goods to customers. It is absolutely impermissible to sell fine-quality products together with inferior products, to sell famous-brand products together with ordinary products, and to sell marketable products together with unmarketable products. Efforts should be made to fight the malpractice regularly.

The circular demands that commercial departments in all localities actively guide and promote production units to produce fine-quality and famous-brand products in accordance with market needs. They must also ensure the quality of goods they purchase so that the goods are marketable. It is necessary to oppose the malpractice of forcibly selling goods together with inferior and unmarketable goods.

The circular demands that responsible commercial departments at all levels strengthen supervision and examination of the operation style of enterprises under their administration, promptly curb the malpractice if it is discovered, and affix the responsibility of wholesale and retail units. In serious cases, units and persons involved should be fined economically and punished administratively. It is necessary to deal severely with a handful of people who offer and take bribes to purchase unmarketable goods and then forcibly sell the unmarketable goods together with other goods to customers.

GUIZHOU COMMENTARY URGES CADRES TO STUDY MARXISM

HK140606 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 9 May 86

[Station commentary: "New and Old Cadres Alike Must Seriously Study Marxism"]

[Text] Recently, the central leaders repeatedly urged that new and old cadres alike must strengthen their study of basic theory of Marxism, and strive to heighten their theoretical standards. The provincial CPC Committee has conveyed the suggestions of the provincial CPC Committee propaganda Department on strengthening the study of theory among cadres. The department urged all cadres to seriously study Marxist theory. In the course of building socialism with Chinese characteristics, it is very significant that new and old cadres alike do well in studying basic Marxist theory as well as mastering the basic principles and basic methods of Marxism.

The new and old cadres are leaders of departments and units in all localities. The line, principles, and policies formulated by the CPC Central Committee are mainly implemented by them. How well the new and old cadres can master the theory of Marxism plays an important role in the implementation of the party's line, principles, and policies, as well as in the achievements of their local departments and units. In building socialism with Chinese characteristics, new situations and new problems develop one after another. Only when we seriously study the theory of Marxism and master its stand, viewpoint, and methods can we analyze the new situation in a scientific way and correctly solve new problems. Then, we can promote our undertakings in various areas in an innovative way. Without the guidance of the theory of Marxism, there is a risk of getting lost.

Marxism is a complete and scientific system. When studying Marxism, we must also take a scientific method and a scientific attitude. First, we must act industriously and systematically and seriously read several books, so as to master Marxism as a complete system. Second, we must correctly understand the relations between the practice of upholding Marxism and that of developing Marxism. Marxism is not a rigid dogma, but a guide to action. Its growth follows in the wake of the development of the times. We should follow its basic principles and basic methods and, by integrating them with the ever-changing situation, solve new problems. We should not simply focus on each of its specific conclusions. Thus, we not only study Marxism but also augment and develop Marxism.

GUIZHOU TO UNDERTAKE 13 MAJOR PROJECTS IN 5-YEAR PLAN

HK150729 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 13 May 86

[Text] Our reporter has learned from the relevant departments that this year the state has initially arranged 13 major projects for the Seventh 5-Year Plan in the province. The total investment will be 2.06 billion yuan. Most of the projects relate to energy, communications, and raw material construction projects. According to initial estimates, after these projects are completed and put into operation, the province will increase its annual coal output by 1.95 million tons, generated energy output by 910,000 kilowatts, alumina output by 180,000 tons, ferromanganese and coking iron output by 80,000 tons, cement output by 280,000 tons, and phosphorus output by 500,000 tons. During the Sixth 5-Year Plan, the state invested some 1.35 billion yuan in the province to build 16 major projects and put them into operation. They included the production line of [words indistinct]. The province can now increase annual synthetic ammonia output by 300,000 tons, hydropower installed capacity by 869,000 kilowatts, and raw coal output by 1.5 million tons.

GUIZHOU SECRETARY ATTENDS INDUSTRIAL WORK MEETING

HK150755 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 14 May 86

[Excerpt] Yesterday morning the Guiyang City CPC Committee and People's Government held a meeting of cadres from industrial departments in the city, demanding that all cadres, staff, and workers on the industrial front of the city have a correct understanding of the current situation, enhance their vigor, persevere in reforms, do their utmost to overcome difficulties, and fight to fulfill this year's industrial production targets. Provincial and Guiyang city leaders Hu Jintao, Wang Chaowen, Ding Tingmo, Zhang Shukui, (Li Maolu) and (Wang Shouting) attended the meeting. Hu Jintao, Zhang Shukui, and (Wang Shouting) spoke.

SICHUAN HOLDS MEETING ON CORRECTING MALPRACTICES

HK150745 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 13 May 86

[Excerpts] On 11 May the provincial CPC Committee held a meeting on straightening out sectoral malpractices to develop party rectification in depth. Provincial CPC Committee Secretary Yuang Rudai and other leading comrades listened to reports given by responsible comrades from some units and delivered important speeches.

The meeting held that to straighten out malpractices, first, we must have a correct ideological understanding. In the preceding stage, the province corrected the malpractices of party and government organs doing business and running enterprises, seriously straightened out party style, and dealt with important and major cases. All this has made a good start for straightening out malpractices with sectoral characteristics. But we need to continue these efforts.

Straightening out sectoral malpractices is a requirement for straightening out party style, an urgent demand of the people, and a requirement for building material and spiritual civilization. It is also the concrete manifestation of correcting the guiding thought on our work. Second, leading cadres at all levels must be familiar with the malpractices in various sectors and must seriously deal with those malpractices in their own sectors about which the masses have a lot of complaints. They must mainly deal with such malpractices as taking advantage of one's power and position to practice fraud, to blackmail and extort from others, and to seriously violate the interests of the state and people.

The meeting also pointed out that to straighten out sectoral malpractices, it is necessary to uphold the principle of seeking truth from facts, to pay attention to implementing policies, and to take into account the situation when the malpractices actually emerged. As for general mistakes, so long as the persons involved have corrected their mistakes, it will be all right. It is not necessary to check people one by one. It is however necessary to severely punish a handful of people who have made serious mistakes, made a bad impression on the masses, and violated criminal law.

In conclusion the meeting stressed that we must, in connection with characteristics in all sectors and on all front, straighten out malpractices in all sectors in a planned way and, step by step, and treat the straightening out of malpractices as an important part of straightening out party style. We must straighten out party style to bring about the improvement of the general social mood and to further improve party style.

PROSPECTS FOR TAIWAN-MAINLAND RELATIONS ASSESSED

HK090456 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 May 86 p 2

[Article by He Fang of the Chinese Academy of Social Sciences: "The Future Relations Between Taiwan and the Mainland" -- based on a speech at the "Taiwan in the Coming 10 Years" subcommittee meeting at the 38th Annual Conference of the U.S. Asian Society]

[Text] Over the past few years, the future of Taiwan has become a favorite topic of the domestic and overseas press and there have been more and more academic discussions about it. This suggests that the Taiwan issue has become an increasing urgent topic on the agenda. The question of what course Taiwan will follow is not only a matter of great concern for the 1 billion compatriots on both sides of the strait, Overseas Chinese, and foreign citizens of Chinese origin, but has also drawn international attention. Naturally, the Taiwan issue is an internal affair of China, the settlement of which should only be negotiated by the Chinese on both sides of the strait. However, it also has its international aspect, which mainly refers to U.S. involvement. In addition, the Taiwan issue also concerns the stability of the situation in Asia, the Far East in particular. Therefore, it is understandable for foreign academics to objectively make an academic study and investigation into the Taiwan issue. Their studies and research should be welcome.

In the final analysis, the future of Taiwan we are now talking about refers to its relations with the mainland. Therefore, in this article I will air my personal views on the future relations between Taiwan and the mainland in terms of economic, political, and international environments, in the hope of soliciting advice from fellow participants.

I

This conference is entitled "Taiwan in the Coming 10 Years." In view of the fact that any economy is the basis of politics, in the world today it is difficult to imagine that economic confusion can result in political stability. I will therefore first talk about economic problems, which, I think, will not digress from the subject.

Over the past 20 to 30 years, Taiwan's economy has rapidly developed owing to the relaxation of the situation in the Taiwan Strait, which has been advantageous to the international situation, and as a result of the hard work of the Taiwan people. The people on the mainland have always been deeply gratified at the achievements made by their compatriots. The present economic situation in Taiwan can be said to be stable, and there is certain potential for future development. But we should also understand that Taiwan's economy is at a turning point. We should not be too optimistic about its development. Taiwan's authorities and the press have talked much about Taiwan's economic difficulties. This is well-known, so I will not deal with it in detail. What I would like to talk about is that the weak points of Taiwan's economy lie in the shortage of material resources and the narrowness of its internal market. Its economic development relies to a large extent on foreign trade. The world economy is now in a period of slow development, and many countries are carrying out economic structural adjustment. Such a rapid growth rate as in the past will probably not be seen again by the end of this century. It is hard to witness great development in world trade. Competition will become sharper and sharper. Trade protectionism will continuously increase.

Under such circumstances, Taiwan will be faced with more and more economic difficulties. For example, its traditional industry is declining, its technology-intensive industry has not developed, and it is losing its original superiority. It is good that the prices of raw materials and fuels have dropped, but the loss of the competitiveness of its products will make it difficult for its exports to increase. As its internal market is small and consumption has dropped, Taiwan finds it difficult to sell its export commodities on the internal market. In particular, people do not have much confidence in their future, so a "troubled mental state" has arisen, bringing about a capital outflow and a decline in people's desire to make long-term investments. This situation markedly sharpened in 1985. Things will continue to deteriorate if no effective measures are taken, and it will be very difficult to maintain economic stability.

There is no need to deny the fact that for a period of time in the past, that is, in the 1960's and the 1970's, economic development was slower on the mainland than in Taiwan. This was because China could not find an economic development mode suited to its specific conditions and made some big mistakes in its work, in addition to the problems of a vast expanse of land, a large population, a poor foundation to start with, and boycotts by foreign countries. In particular, it lost a lot of time during the 10 years of turmoil. Nevertheless, not only was its economic development rate in the first 30 years unprecedented in Chinese history, it was also fast among the Third World countries.

This can be seen in comparison with India, which has conditions similar to those of China. A fundamental change has taken place in the situation since the beginning of the 1980's. Over the last 5 years, the economic development rates of Taiwan and the mainland have turned the other way. This trend will probably continue to develop with the implementation of economic structural reform on the mainland. The mainland is still far behind Taiwan in terms of per capita output value, but for a large country, it is inevitable for economic imbalance to occur from region to region. Not only is there a gap between the mainland and Taiwan, but a big difference can be found between Shanghai and Qinghai or between Jiangsu and Gansu. Of course, the mainland still has many problems with its economy, such as inadequate capital, backward technology, a low managerial level, and uneven economic reform, but the main thing is that the mainland has taken the correct road of development. The people throughout the country are energetic and full of confidence. The prospects are bright. This is known to the whole world.

The mainland and Taiwan have their own difficulties with their economies, but the nature of these difficulties is entirely different. The mainland's difficulties are related to the course of progress. The orientation has been ascertained and the route has been opened. With this, various problems can be settled one-by-one. Taiwan's economic difficulties involve the question of seeking a way out. It will be hard for Taiwan to go forward without looking for a new path. Last year, when world trade was depressed, the situation in Taiwan's foreign trade worsened, with a drop of 8.4 percent in imports. Exports, however, witnessed a slight increase of 0.9 percent as a result of a rapid rise in indirect trade with the mainland (a 250 percent rise in its indirect trade with the mainland through Hong Kong in the first 7 months). Otherwise, its foreign trade would have continued to drop. Hong Kong is an example: It has strengthened its economic ties with the mainland following the smooth settlement of the Hong Kong question. Last year its commodity exports to the United States, Europe, and Japan dropped by a large margin. However, Hong Kong still witnessed a 6.2 percent rise in the total volume of its exports and re-exports as a result of a 35 percent increase in its exports to the mainland and a 64 percent increase in its re-exports to the mainland. These are facts, and it is not difficult for people to draw their own conclusions.

II.

At first glance, the present political situation in Taiwan is stable, but people are very concerned over how long it will last. Although the wind is not likely to blow in the political situation in Taiwan, factors affecting the stability of the political situation keep increasing and are becoming more prominent. First, economic difficulties inevitably affect political stability. As I have dealt with this point in the passages above, I will not go into further details here. Second, Taiwan is faced with the problem of taking over and inheriting political power.

Some people believe that after Mr Chiang Ching-kuo, Taiwan will possibly shift to collective leadership to maintain political stability. It is true that we should not thoroughly reject this possibility, but judging from the KMT's history and traditions as well as the present situation in Taiwan, it seems that the problem of shifting to collective leadership is not so simple. As there are many factions in the KMT, it will be hard to realize collective leadership, what is more, to realize it smoothly. Third, the contradiction between the KMT and "other parties" has long been a hidden worry of the Taiwan authorities. The Taiwan people's demand for democratic reform and the abolition of the so-called "martial law" is becoming stronger. This has made their problems more complicated. If the Taiwan authorities carry out suppression, stronger dissatisfaction will arise among the Taiwan people; if they relax their control, they are afraid that the momentum of democratic movements will run higher. They are in a dilemma, walking on thin ice.

Fourth, the "three no's" policy of "no contact, no negotiation, and no reconciliation" is meeting with stronger opposition and is therefore difficult to continue. Although many people in Taiwan do not understand much about the situation on the mainland and the CPC's policies, due to long estrangement and anticommunist propaganda, the vast number of Taiwan compatriots want to have more ties and exchanges with the mainland, to remove estrangement, and to solve relations with the mainland through equal negotiations. Their desires are breaking through all barricades and converging into a mighty, irresistible current. As contradictions in Taiwan are complicated and are becoming increasingly acute, if they do not judge the hour, size up the situation, and change their course, but continue to go against the trend and the people's will and to persist in their rigid stand, then "what Ji Xun has to worry about is not Zhuan Yu, but trouble from within." In such a case, how can we say that the situation is stable?

Mainland compatriots and the CPC leaders do not wish to see a turbulent situation in Taiwan, as a turbulent situation will endanger the peaceful life of Taiwan compatriots. In addition, some separatists and foreign powers will use it to hamper the peaceful reunification of the motherland. This will also be detrimental to the smooth carrying out of economic construction on the mainland. On the mainland, not everything is as good as everyone expects. However, the present excellent situation of harmony, stability, and unity has rarely been seen in Chinese history. The mainland also had the problem of taking over and inheriting political power, but it was solved at the national conference of party delegates held last year. Now the whole nation is repudiating bureaucratism, unhealthy practices, and corruption. If this is continued for a long time, a fundamental change for the better will certainly be realized.

Although there will be problems and difficulties in the course of our advance, the stability of the political situation on the mainland and long-term adherence to the basic principles are ensured. Some people do not trust the CPC's policy on peaceful reunification and even say that the CPC wants to create disturbances in Taiwan so that it can have the opportunity to use force against Taiwan.

This is, at least, a misunderstanding or prejudice. But one point is certain, the Chinese people and government will never allow foreign power to use disturbances in Taiwan to interfere, or separatists to engage in the so-called "Taiwan independence" or "self-determination" movement. We also hope and are deeply convinced that the great cause of peacefully reunifying the motherland will soon be realized. The situation in recent years has developed toward this end. Insofar as Taiwan politics is concerned, there are two possible alternatives: One is confusion as a result of long delay and the other is "unification as a result of being resolute."

III.

The international situation undoubtedly has a certain impact on the relations between Taiwan and the mainland. Looking to the future, U.S.-Soviet confrontation and contention will continue for a long time to come, but its influence on international affairs will consistently be reduced. The world is going forward toward multipolarization, and this trend is unalterable. The development, growth, and mutual cooperation of the Third World are drawing more and more attention. The danger of war still exists, but the factors for preserving peace have outstripped this danger. Therefore, it is not easy for a large-scale war to break out. In a peaceful international environment, the Chinese Mainland will witness rapid development in construction in various fields, and its national strength will certainly thrive. There will be brighter prospects for its foreign relations. The development of the international situation has become more favorable to the peaceful reunification of the motherland. This is as bright as a blazing fire.

It is undeniable that some foreign powers would not like to see China's peaceful reunification. Some people in the United States still insist on the policy of "one China, one Taiwan." but more and more people in the world understand and support China's peaceful reunification. This is the general trend. The adverse current which hinders China's peaceful reunification cannot last long. Some sensible persons in the United States understand that the peaceful settlement of the dispute between Taiwan and the mainland will be good for all. As the development of Sino-U.S. relations is stable, the major obstacle to the relations between the two countries will certainly be removed. This is independent of man's will. Even during the 10 years of turmoil, the United States attached importance to developing relations with China, and this will continue in the future, as China will grow stronger. The further development of Sino-U.S. relations will be beneficial not only to the interests of both sides, but also to safeguarding peace in Asia and the rest of the world.

Taiwan's foreign relations are known to all. There is no need to give a detailed explanation. The so-called practical foreign relations mainly refer to foreign economies and trade. As I have said above, this road is becoming narrower. It is hard to even maintain the present state of affairs, let alone develop it. The Taiwan authorities have all along persisted in the concept of "one China" and opposed separatism. But they refuse the offer of peaceful reunification and are content to exercise sovereignty over a part of the country. They are, in fact, contradicting themselves. Those who try to separate Taiwan from the mainland forever or to make "Taiwan independent" place their hope on foreign powers. This is national betrayal and is very unreliable. Viewed from Chinese history, no separatist regime living on foreign support lasted long, let alone at present, as the situation is greatly different from the past.

In the final analysis, the future of Taiwan is determined by its relations with the mainland. The question of solving Taiwan-mainland relations is an internal affair of the Chinese nation. Since people on both sides of the Strait maintain that we are Chinese, it should not be difficult to solve problems of our family.

The old saying goes: "There will be reunion after long separation." This is a good description of the relations between Taiwan and the mainland. As to how to "unify," this can be discussed. The CPC has suggested the realization of the peaceful reunification of the motherland on the basis of the concept of "one country, two systems" through bilateral negotiations. The CPC will not force its existing system on Taiwan, but stands for the principle that neither side will take over the other.

But it is unrealistic for Taiwan to unify with the mainland under its present system. We should admit that over the past 2 years, Taiwan has relaxed its relations a little with the mainland. But it still persists in the "three no's" policy and is determined to pursue this policy for a long time. This is very unsensible. It is not workable to tackle the changing situation with an unchanged stand. What is the way out? It seems that both sides should solve their relations through equal negotiations by taking account of the national interests of both sides and realities on both sides of the strait, including the wishes of the Taiwan people. All problems and misgivings can be discussed, with the exception of the sacred principle of "one China" and the "reunification of the motherland" (this is the great common wish of both sides). Therefore, our task of top priority is to strengthen our contracts. Once negotiations start, problems are easy to solve.

It is well-known that the political situation on the Chinese mainland is stable, that its economic construction is developing by leaps and bounds, and that its international position is becoming increasingly important. It is estimated that by the end of this century, China's GNP will exceed that of Italy, Britain, or even France, and will rank fifth in the world. Although its per capita output value is comparatively low and its science and technology are below world levels, it is doubtless that it will become a country with a powerful economy. If the peaceful reunification of Taiwan and the mainland can be realized during this period, the international position of the entire Chinese nation will be greatly enhanced. In the coming 40 to 50 years, it is possible for China to approach the levels of developed countries in terms of economy, science, and technology and to realize the wishes of Mr Sun Yat-sen and the desires all noble-minded Chinese have cherished over past century, thereby making greater contributions to preserving long-lasting peace in the world and to the progress of mankind.

In conclusion, Taiwan compatriots, Overseas Chinese, foreign citizens of Chinese origin, and foreign friends who are concerned with China and the study of the China problem are welcome to visit the mainland for the purpose of strengthening contacts and increasing mutual understanding. I hope that I will see you in Beijing.

CAAC, CAL TO NEGOTIATE ON PLANE, CREW 17 May

OW151355 Beijing XINHUA in English 1347 GMT 15 May 86

[Text] Hong Kong, May 15 (XINHUA) -- The Civil Aviation Administration of China (CAAC) and Taiwan's China Airlines (CAL) agreed to open discussions on the hand-over of a Boeing 747 cargo plane and two crew members and the cargo on May 17th. This was disclosed here this afternoon by Zhang Ruipu, manager of the CAAC Hong Kong office. Zhang said the agreement was reached on CAAC's proposal. To participate in the discussions are, for CAAC, Zhang Ruipu, Lu Ruiling and Liu Yuanfan, and for CAL, Zhong Zanrong, Li Zhenyang and Chen Enjin.

Talks Representatives Named

HK151128 Beijing XINHUA Hong Kong Service in Chinese 1102 GMT 15 May 86

[Text] Hong Kong, 15 May (XINHUA) -- This afternoon, a XINHUA reporter learned from manager Zhang Ruipu [1728 3843 2528] of the Hong Kong office of the CAAC [Civil Aviation Administration of China] that at the suggestion of CAAC, the CAAC and CAL had agreed to begin their talks on 17 May on the return of the 747 cargo plane, its aircrew, and its cargo load. Zhang Ruipu, Lu Ruiling [4151 38943 7881] and Liu Yanfan [0491 6678 5672] will represent CAAC and Chung Tsan-jung [6988 6363 2837], Li Chen-yang [2621 2182 2254], and Chen En-chin [7115 1869 6930] will represent CAL at the talks.

CAL To Hold Mock Preparatory Talks

HK151136 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1008 GMT 15 May 86

[Report: "CAL To Hold Mock Talks Prior to CAAC-CAL Talks" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 15 May (ZHONGGUO TONGXUN SHE) -- According to Taipei sources: In anticipation of the existence of unexpected circumstances, the relevant CAL [China Airlines] employees have begun making preparations and will conduct mock talks to practice in advance. It is reported that those taking part in the mock talks could be sent to Hong Kong to help the employees of the Hong Kong CAL office taking part in the talks.

Lin Liang-chi, the CAL spokesman, indicated that those participating in the talks will not be confined to employees of the Hong Kong office. As for the list of CAL representatives, Lin Liang-chih said that the list would be decided on after the PRC has finalized its list of representatives.

CAL Official Queried

HK160140 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0907 GMT 15 May 86

[Report: "Assistant Manager of Hong Kong Office of China Airlines Answers Reporter's Questions" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 15 May (ZHONGGUO TONGXUN SHE) -- Li Chen-Yang, assistant manager of China Airlines' Hong Kong office, was interviewed this afternoon by a ZHONGGUO TONGXUN SHE reporter.

He reiterated China Airlines' position on the direct talks that China Airlines' Taipei headquarters has agreed to hold with the Civil Aviation Administration of China (CAAC), saying that China Airlines will demand the return of the crew, the cargo plane, and the cargo aboard.

The reporter asked: Does this include Wang Hsi-chueh? Li Chen-yang said: Yes.

The reporter asked: Is this different from China's position that the three crew members are free to decide whether to stay or leave? Li answered: That is their (referring to the mainland) attitude.

Through what channel did Taipei tell China its willingness to hold the talks? Li said: Taipei passed this message to China through Cathay Pacific Airways. How did Cathay Pacific Airways pass this message? Li said: I do not know.

Commentary Views 'Business Talks'

OW151229 Taipei Domestic Service in Mandarin 2300 GMT 13 May 86

[Station commentary]

[Text] For humanitarian reasons and after careful deliberations, China Airlines [CAL], in order to reduce the crew of its cargo plane No 198 which is now in the custody of the Chinese Communists, decided yesterday to ask Cathay Pacific to relay a message to the Chinese Communists' Civil Aviation Administration [CAAC] that CAL will dispatch representatives of its Hong Kong branch to negotiate with CAAC in Hong Kong on the return of the 747, its crew, and cargo.

CAL also stressed that the landing of its cargo plane in Canton's Pai Yun Airport was nothing more than an aviation incident. Thus, the negotiations on the return of the plane and its crew and cargo are nothing more than business talks between two civil aviation companies.

Ever since Wang Hsi-chueh, pilot of the CAL 747 cargo plane, landed his plane on the China mainland, the other crew members, Tung Kuang-hsing and Chiu Ming-chih, have clearly expressed their wishes to return to Taiwan. However, the Chinese Communists have not allowed these two to publicly meet the press. On the other hand, the Chinese Communists took Wang Hsi-chueh to Peiping to hold a press conference and ask CAL to send a representative to Peiping to negotiate the return of the plane and its crew. Moreover, they have rejected demands for the return of the plane and crew presented by third parties including the International Red Cross, a foreign insurance company, as well as Cathay Pacific, acting as CAL's agent.

Their intention to use the plane and crew as tools for a united front offensive against us is very clear. Such conduct has also revealed the Chinese Communists' true features of not respecting international organizations and disregarding norms governing international civil aviation. Following the incident, CAL, on the other hand, has communicated with the Chinese Communists through various channels seeking the return of the plane and crew.

Plotting a united front offensive against us, the Chinese Communists have in recent years continued to harp on the tune of establishing with us commercial, postal, and shipping services as well as economic, scientific and technological, sports, and cultural exchange. Internationally, they have also tried to create an image that they are peace-loving and friendly. But our government has ignored these tricks, knowing the Chinese Communists' intentions behind them, and kept to the stand of having no negotiations, no contacts, and no compromises with the Chinese Communists.

After the CAL plane landed on the China mainland, the civil aviation authorities have always expressed their concern for the plane and the safety of the crew and have fully supported CAL in taking all possible measures to rescue the crew and recover the plane and its cargo. Eleven days after the incident, CAL, after careful deliberation, has now decided to authorize representatives of its Hong Kong branch to discuss related matters with the Chinese Communists' CAAC in Hong Kong.

Although CAL is the nation's flag carrier providing transworld services, it is basically a nongovernmental company. Thus, having business talks with the Chinese Communists' CAAC for the purpose of rescuing its personnel, CAL does not violate the government's stand of having no negotiations, no contacts, and no compromises with the Chinese Communists. We believe that this sensible decision will have the nation's support.

Here, we also urge CAL to be fully prepared for the talks, take a firm stand, and make every effort to deal with the other side. We also think that the meeting should be held publicly under [words indistinct] so that the Chinese Communists will have no chance whatsoever to exploit the situation and carry out their blackmail. It is our hope that Tung Kuang-hsing and Chiu Ming-chih will regain their freedom and that the plane and its cargo will be returned soon.

AFP Analyzes Attitudes to Talks

HK161005 Hong Kong AFP in English 0911 GMT 16 May 86

[By ierre-Antoine Donnet]

[Excerpts] Beijing, May 16 (AFP) -- Chinese and Taiwan negotiators are to meet on neutral ground in Hong Kong Saturday for their first direct talks in almost 40 years, but China is not expected to make any great fanfare of the event, analysts say here.

The talks were sparked by the defection to the mainland of a commercial pilot and his cargo plane May 3, a real windfall for China, but the defection must be treated with utmost care by Beijing in order to lay the groundwork for an eventual dialogue between the two sides, the analysts said.

(Three Civil Aviation Administration of China (CAAC) officials and three from Taiwan's China Airlines (CAL) will meet in the British colony to discuss the return of a cargo plane and two crew members flown to China by a defecting pilot May 3, a CAL official said in taipei Friday. China's NEW CHINA NEWS AGENCY (NCNA) said Friday that two three-member delegations would be involved in the Hong Kong talks. The talks are to start at 10 am (0200 GMT), in the Hong Kong offices of Cathay Pacific Airways (CPA), which has acted as mediator over the incident, CAL's lin Liang-chin told AGENCE FRANCE-PRESSE.)

But analysts in Beijing said that China was unlikely to gloat over Taiwan's agreement to hold the talks, although Beijing has long sought to establish direct contact with the taipei government as part of its efforts towards reunification. It is rather expected to adopt a "low profile" and a modest stance, avoiding any moves which might jeopardize the success of this first contact since the Communist victory over the Nationalists in 1949, they said.

China initially took a firm line when pilot Wu Xijue landed his China Airlines (CAL) Boeing 747 at Guangzhou on may 3, indicating that only direct talks on the mainland with Taipei officials would permit the return of the aircraft, its co-pilot Dong Wangxing and technician Qiu Mingzhi.

Then on Sunday, Beijing softened its stance, stressing that there would be "no political issues involved" in the talks and agreeing to let Taipei name a venue outside mainland China.

It was this concession in particular which two days later enabled Taiwan's ruling Nationalists to agree to meet with Beijing and still "save face" with an assertion that the talks would not mean a change in their official policy of "no contact, no talk, no compromise," with the communists, the analysts said.

(Mr Lin in Taipei Friday reiterated that "in principle, we still insist on the three no's policy," and that the Taiwan Government's attitude was that the issue was commercial, not political. He added that the delegation would request not only the return of the plane and two crew but also the "release" of Captain Wang, adding that the pilot did not land in China of his own free will.)

However, a conciliatory approach from Beijing at the talks is still unlikely to mean much hope for Taiwan of securing the return of the plane's pilot, observers in Beijing said. Western diplomats in Beijing said the communist authorities were quite aware of the implications for the future which will be at stake at this historic meeting. Even if they hold the trump cards at Saturday's talks, the Chinese must also prove their moderation and restraint, particularly by keeping to their promise not to raise any political issues, the diplomats added.

Editorial Advises Position for CAL

HK161140 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1051 GMT 16 May 86

[Text] Hong Kong, 16 May (ZHONGGUO TONGXUN SHE) -- According to Taipei sources, today, CHUNG-YANG JIH-PAO published an editorial on the cargo plane case to be handled by the two airlines to elaborate on the "position to be adhered to by China Airlines" in the course of the talks.

This editorial, which is entitled "China Airlines Must Be Steadfast and Persevering in Order To Attain the Goal of Bringing Back the Aircrew and the Airplane," says: "China Airlines finds itself in a special situation by holding talks with a "CPC airline" as a civil airline." Thus, in the course of the talks, "China Airlines must stick to its own position and must be very careful in order to avoid playing into CPC hands."

It is suggested in the editorial that in order to avoid unnecessary complications, "China Airlines must insist that the two airlines should be empowered only to discuss the return of the airplane and its crew and try its best to make the negotiations proceedings direct and the things discussed simple." "In particular, it should make adequate preparations in advance, adhere to the proper position, and be thoroughly prepared for relevant technical problems."

DENG XIAOPING URGES RECTIFICATION IN PARTY STYLE

HK160208 Hong Kong TA KUNG PAO in Chinese 16 May 86 p 1

[Special dispatch by correspondent Kung Shuang-yin: "Deng Xiaoping Again Urges Rectifying Party Style; Time for Rectification May Be Extended 1 Year"]

[Text] CPC Central Advisory Commission Chairman Deng Xiaoping recently demanded that the whole party vigorously grasp the question of party style without relaxing it for a single day. Vigorous efforts should be made for 2 years to transform the party style.

Deng Xiaoping put forward this demand in an important speech at a recent meeting of the CPC Central Committee Political Bureau Standing Committee. Bo Yibo conveyed Deng Xiaoping's instructions at a meeting to report on the work of party rectification inspectors.

Deng Xiaoping said: We proposed at the 12th party congress that a fundamental turn for the better in party style and social mood be accomplished in 5 years. There is now only 1 year left. We must get a vigorous grasp on this work without relaxing it for a single day. If this 1 year is not enough, then we should add 1 more year, and make vigorous efforts for 2 years to transform the party style. It would even have taken 10 years to restore the party style and social mood of the 1950's, when they were at their best.

Bo Yibo demanded that the party rectification inspectors uphold party principles and dare to tackle tough problems. Speaking on the question of the "network of relationships" in the CPC at the present, he said that it is not principles but human feelings that are stressed in party life in many places and units. The moment the time comes to handle specific problems, all kinds of personal relationships appear, with people talking about old subordinates, sons, daughters, relatives, and comrades with whom they have been through thick and thin! This and similar things in fact constitute networks of relationships of various kinds. If you fall into that net, you cannot get out of it. This "net" is not as simple as a spider's web; it is like sugarcoated candy on a stick, strung together; it has an impact and plays a role all round. Some people depend on such a "network of relationships" for their livelihood.

On the question of daring to tackle tough problems, Bo Yibo said that "tough" refers to those things that are not easy to touch and involve some risk in touching; for instance, things like "networks of relationships," factionalism, powerholders who violate law and discipline, and major and important criminal cases in which certain figures holding considerable power act as the bosses behind the scenes. However, it is not right to adopt a laissez-faire approach and lack boldness for tackling these things just because they are a bit "tough" and might affect one's interests or even one's safety.

PRC CULTURE MINISTRY LEADERSHIP, POLICY ANALYZED

HK150525 Hong Kong CHING PAO in Chinese No 106, 10 May 86 pp 56-57

[Article by Yi Sha: "Rong Gaotang Handles 'Difficult and Complicated Cases'"]

[Text] What Happened Before Wang Meng Assumed Office

At least 8 months have elapsed since Zhu Houze, an official from Guizhou Province (53 years old), replaced the 72-year-old former head of the CPC Central Committee Propaganda Department who was known for "opposing pollution."

However, the leading body of the Ministry of Culture remained unchanged. Some people misunderstood that Zhu Muzhi was a "roly-poly." Actually, this is not true. It is only because no suitable successor could be chosen to take charge of the Ministry of Culture, which is generally regarded as the most troublesome department.

After New Year's Day this year, it was said that a certain senior official recommended Gao Ji [7559 7162], a secretary of the Jilin Provincial CPC Committee in charge of agriculture (please note he is not veteran journalist Gao Ji), to succeed Minister Zhu in taking charge of the nation's cultural work. However, the hearsay soon vanished like mist and smoke.

Not long after the spring festival, Gao Zhanxiang, a secretary of the Hebei Provincial CPC Committee in charge of cultural and educational work, was appointed first vice minister of culture (namely, standing vice minister). He comes from a worker's family. He was originally an amateur writer of prose and occasionally wrote commentary on literature and art. During his tenure of office in Hebei, he was enlightened and openminded. However, it is impossible for a standing vice minister to have the final say in all matters relating to the State Ministry of Culture. Thus, hearsay was spared that Xu Huaizhong [1776 2037 0022], a well-known writer in the army, would take up the post of minister of culture (he is now deputy director of the Cultural Department of the General Political Department of the CPC Central Military Commission the film "Heartless Lover" starring the actress Liu Xiaoqing, is a stage version of his novel). But it was soon said that Xu flatly refused the post. Since then there has been no news about the new appointment whatsoever.

In the second half of March this year, it was said in Beijing that the Organization department of the CPC Central Committee decided to ask Wang Meng (vice chairman of the Chinese Writers' Association and secretary of its secretariat) to take up the post of minister of culture. He first politely refused but failed, so he had to assume office on 3 April. With the help of three vice ministers, Gao Zhanxiang, Liu Deyou, and another, Wang Meng is now in charge of the Ministry of Culture.

The outcome is a foregone conclusion. The third vice minister is described as "very young" and is said to be a son of the late General Xu Haidong, who worked as general secretary of the State Publishing Bureau but now works as head of the Ministry of Culture Personnel Department. Actually, he has already taken part in the leadership work of the "ministry's leading party group." At the same time, the CPC Central Committee Propaganda Department headed by Zhu Houze officially announced that poet He Jingzhi remains in office as deputy head and takes charge of the nation's literary and artistic work. It seems that there will be no drastic personnel changes in the next 2 or 3 years in the cultural, art, press, and publishing circles.

Two Arguments on the New Leading Bodies of the Ministry of Culture and the CPC Central Committee Propaganda Department

Informed sources said that Wang Meng really did not want to be appointed minister of culture for fear that as long as he occupied this highest but thankless post, his "enlightened image" as a writer would be marred for the sake of "party spirit." However, he had no choice but to "serve the needs of the party organization" under the pressure of repeated persuasion by senior officials. There is good reason for the statement widely rumored outside China that "from now on, China has one more bureaucrat in charge of the cultural activities but has lost an outstanding writer." Wang Meng has been described as "a cultural official of the CPC" in Europe and the United States for a long time. However, in any case, he is a writer who was once labeled as a "rightist" and exiled to Xinjiang for more than 20 years. Probably, this "laurel" is much more beautiful and important than the minister's throne to him.

Since the leading bodies of the CPC Central Committee Propaganda Department and the Ministry of Culture were reorganized, there have been two arguments on the new leading bodies. One argument holds that Zhou Houze's prestige is not high because he assumed power not long ago and must become familiarized with his profession. Wang Meng, a writer with the title of CPC Central Committee membership, of course dares not pay less attention to the "four basic principles," but he also highly treasures his background as a "rightist" writer.

For this reason, neither is likely to adopt a "leftist" pose in handling problems relating to culture and literature and art. The two new leading bodies will most likely take on a moderate look and will be patient in launching any "repression" or "criticism." The other argument, which is entirely different from the first, holds that the CPC senior officials in charge of social ideology probably chose Zhu Houze, whose ability and qualifications are mediocre and who does not enjoy high prestige, to act as head of the CPC Central Committee Propaganda Department because he is easy to control. Among senior policymakers, there is no lack of such people who still take the failure of "eliminating pollution" to heart, so it is hard to say that they will not stage a comeback in the future and they will most likely use Wang Meng's good reputation to "strengthen political and ideological work."

However, some people pointed out that not long after he was rehabilitated upon the smashing of the "gang of four," Minister Wang indeed wrote some good books lashing the "anti-rightist campaign" and the "Cultural Revolution," and made a breakthrough in ideological content. But in his work "Bolshevik Salute" (an autobiographic novel of Wang Meng), he proved his loyalty to Zhongnanhai. (It is by no means the loyalty as described in the novel "The Second Loyalty"). Not long after the publication of the book, he was elected candidate member of the CPC Central Committee. Since then, noticeable changes have occurred in Wang Meng's works.

In particular, he has pulled in his horns and "refrained from going beyond the limits" in ideological content, but he has made breakthroughs in writing technique and form of expression and spared no effort to make use of technique of expression and writing displayed in literary and artistic works of Western countries. For this reason, is it possible that cultural work and work in the literary and artistic fields, under the leadership of Wang Meng, will follow the style of his works, namely, to remain orthodox in content (or even more conservative) but open and creative in form?

The Central Advisory Commission Handles "Difficult and Complicated Cases"

However, this reporter has heard a piece of very interesting good news in Beijing, that under the leadership of the "Central Advisory Commission," its general secretary Rong Gaotang has set up "a group that is specially aimed at handling difficult and complicated cases." This is how it happened: When the propaganda media of the CPC and the Central Film Art Bureau (it was not then incorporated into the Ministry of Radio and Television) found that some top leaders admired the film "An Enchanting Band," they immediately decided to give it a boost, but finally things went contrary to their wishes. The failure also gave these top leaders much food for thought.

This was why they decided to entrust Rong Gaotang, who is believed to have built good relations with literary and artistic circles long ago, to set up a "group that specially handles difficult and complicated cases". (It is not known whether this is an official title). The group immediately rehabilitated two new films -- "The Heipao Incident" and "Heartless Lover" -- which had been shelved. It also unfroze the two films and gave permission to release them at home and abroad. Of course, it is unavoidable that some minor amendments were made to the two films before they were shown publicly. Rong Gaotang won in the very first battle.

This has also kindled a gleam of hope in the hearts of writers and artists. Some people describe "difficult and complicated cases" as ideological deadlocks. It is really not easy for the group headed by Rong Gaotang to produce a cushioning effect and to work as a "peacemaker" in ironing out sharp differences of views. It is not strange at all that people place great hopes on General Secretary Rong because he is experienced, knowledgeable, quick thinking, and one of the policymakers for the amazing "pingpong diplomacy." It is hoped that the group will be able to "cure" more knotty problems, not only those relating to films and television.

However, some people are pessimistic regarding this group. They say that it is under the "Central Advisory Commission" and the most it can do is only "grind out some advice." If authorities do not empower him, does Rong Gaotang dare to willfully handle any "difficult and complicated cases"? In addition, differences in the ideological sphere are now claimed to be very grave. For example, there has been a heated dispute over the "grand mixed performance" (a hodgepodge-like performance which includes both traditional opera and popular songs, and both recitation and ballad singing and serious artistic songs, and both traditional Beijing opera and "model revolutionary theoretical productions," which were very popular during the "Cultural Revolution") and over the programs prepared by the two television stations for the lunar new year. Some big shots point out: at the time of mistakenly launching the "Cultural Revolution" for 20 years and at the time of terminating the "Cultural Revolution" for 10 years, it is absolutely intolerable to perform "model revolutionary theoretical productions." This means nothing but "turning back" and "retrogression."

However, some people did not agree with the view, arguing that "Red Red Lantern," "Shajiabang," and "Taking Tiger Mountain by Strategy" are good literary and artistic works which have been highly finished and loved by the people. The beautiful music for these operas is unforgettable. These operas themselves have no problems, it is only because Jiang Qing usurped the creation results of these operas that problems existed.

Regardless of being pessimistic or optimistic, it is devoutly hoped that the group headed by General Security Rong will write more prescriptions and cure more chronic and stubborn diseases.

JI PENGFEI WELCOMES 'DIFFERENT VIEWS' ON HONG KONG

HK160530 Hong Kong SOUTH CHINA MORNING POST in English 16 May 86 p 16

[Text] Since the concept of "one country, two systems" is new, it is necessary for people to pool their wisdom to correctly put it into practice. Although different views will arise in the drafting of the Basic Law, they only reflect different perspectives and China welcomes different views in discussions, according to the director of the Hong Kong and Macao Affairs Office, Mr Ji Pengfei. Mr Ji was speaking to a 22-member delegation of the Chinese Manufacturers' Association [CMA] during a recent 15-day visit to China. A CMA press release yesterday said Mr Ji told the delegation China and Hong Kong shared a common goal -- to maintain stability and prosperity in Hong Kong -- and with this in mind, people should feel free to offer their opinions.

On the canvassing of views on the Basic Law, CMA's vice-president, Mr Leung Nai-wing, told Mr Ji Hong Kong industrialists were cautious in expressing their views publicly to avoid controversy on certain issues. Mr Leung suggested the balance of interests between employers and employees should be emphasized in the drafting of the Basic Law and the legislative review on labour laws should not hamper the industrial development of Hong Kong. On external trade, Mr Ji said Hong Kong would remain a centre of free international trade with its products catering mainly for international markets rather than China.

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